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Study of legal protection of business actors in internet trading transactions: Review of the legal aspects of the agreement

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Abstract

The use of the internet is growing so rapidly that businesses are more inclined to use online services to market their website-based business products. Business executives' foresight to use business facilities via the internet in the form of transactions, online boutiques, promotions and other businesses is urgently needed. This study aims to obtain an overview of the validity of electronic trading transaction agreements via the internet based on a review of contract law in Indonesia contained in the Civil Code and to find out the types of protection from legal aspects obtained for business users in trading transactions via the internet.

This legal research is descriptive in nature with qualitative research methods, so it is classified as a normative research type, so that the research data is processed by qualitative analysis. From the results of data analysis obtained that: 1). Based on the application of contract law in Indonesia, the contract for trading business actors' transactions via the internet is considered valid 2). With the existence of UUPK and UUIT can provide a proper legal protection for consumers, 3). If there is a dispute between business executors, the business executor can take legal action in two ways, namely settlement by international legal channels and legal channels (litigation routes) and non-litigation routes. Based on the results of the research, it can be explained that first, Law No. 8 of 1999 concerning consumer protection has not been able to protect consumer rights, because there are limitations in interpreting business operations that are specifically domiciled in the territory of the Republic of Indonesia, as well as limited consumer rights in UUPK. Second, it is necessary to regulate several aspects, namely aspects of transactions, business actors, consumers and types of products which in consumer protection law should regulate several aspects related to the goods offered. Third, there is no institution that guarantees the existence of online transactions.

Keywords: Transactions, Internet, Contract Law, Legal Protection

1. Introduction

Trading activities via the internet are growing rapidly as a forum for business activities because they are very efficient. With the increasing love of the internet, it causes the world to feel increasingly narrow and the boundaries of the state and its sovereignty and conditions are increasingly unclear (Sigit Purnama, 2010) ^[18] Internet media is an alternative route for new trade transactions. This is the answer to the increasingly advanced trading activities both on a national and international scale. The internet pioneered the development of trade transactions by electronic means. Transactions of business actors via the internet to provide products or services or to auction products or services or to transfer rights through online media, namely internet electronic commerce transactions. The use of the internet is growing so rapidly that business actors are more inclined to use online services to market their business products based on a website, which is better known as an electronic trading business. (Nofie Iman., 2016) ^[14].

The foresight of business actors in using business advice via the internet in the form of transactions, online boutiques, promotions or various other types of business must have statutory instruments that regulate business actors. The absence of legal instruments that regulate transactions. As a result, various parties have losses because of the legal vacuum in cyberspace. Therefore, in 2008, the Indonesian government initiated by the Ministry of Communication and Information (Depkominfo) issued Law Number 11 of 2008 concerning Information and Electronic Transactions (UUITE). Based on the above, a clear legal umbrella is needed to obtain legal certainty for e-commerce users in their transactions, especially for consumers, so that research is needed to examine the legal aspects of business actors' transaction activities via the Internet, agreements and legal aspects of consumer protection.

2. Research methods

2.1. The scope of research

Considering that the discussion on electronic transaction matters is very broad in its study, this research will be limited in scope (problem boundaries), namely the legal aspects of agreements and consumer protection.

2.2. Types and Nature of Research

This type of research is a type of literary normative law, which is quantitative in nature and descriptive in nature, namely the method of research that refers to library materials, secondary and tertiary data. As according to Soerjono Soekanto, research in the field of law can be carried out through literature as primary data, and only secondary material, so that it is called library normative legal research related to problems in research.

2.3. Data collection technique

Collection and compilation of data using interviews and literature review in the form of journals, articles, laws and other documents (Abdul Kadir Muhammad, 2005) ^[1].

2.4. Data analysis

Data were analyzed using qualitative analysis techniques, namely classifying the articles of the sample documents appropriately. The presentation of the results of data analysis is carried out descriptively with the help of tables according to the research data.

3. Results and Discussion

3.1. Agreement validity

The validity of business agreements via the internet using online media, without any direct meeting of business actors, is different from the conventional method where transactions are carried out by way of face-to-face meetings by negotiating at an agreed place to obtain an agreement regarding the goods being traded.

Regarding transaction activities via the internet, based on research results, information is obtained that in general the types of goods that consumers are interested in are dominated by goods in the form of electronic equipment followed by clothing in the form of clothing, as presented in Table 1.

Table 1: Types of goods Consumers interest in transactions through internet media

No	Type of Goods	Amount (people)	Percentage (%)
1	Electronics	31	62
2	Clothing (clothing)	17	34
3	Others	2	4

Source: Interview Results

Based on Table 1 it shows that 62% of consumers are interested in using trade transactions to order goods in the form of electronic products and, 34% order goods in the form of clothing (clothing) the remaining 4% order goods other than electronics and clothing. The reason for choosing internet media in transactions is more practical, lots of choices, no need to leave the house, cheap and guaranteed quality. The reason for choosing internet media in transactions is because it is more practical, has many choices, can be done at home, cheap and quality is guaranteed. So far, arrangements in electronic transactions still refer to the Civil Code, especially regarding regulations on agreement issues. Whether or not a transaction agreement via the internet is valid is determined by the fulfillment of the legal requirements of an agreement (Mariam Darus Badruzaman, 1983) ^[9]. In Indonesia, transactions via the internet have not been specifically regulated. The rules for transaction activities refer to the rules in Book III of the Civil Code, especially the rules regarding agreement issues in Article 1320 of the Civil Code. In this article the legal requirements for a transaction agreement are: 1). Both parties agree to bind themselves, and 2) Proficiency in the statement of an agreement. Based on the results of interviews with consumers in trade transactions via the internet, agreements between buyers and sellers are carried out in several ways as presented in Table 2.

Table 2: Ways of Agreement between Consumers and Sellers in Transactions Via the Internet

No	Method of Contract Agreement	Amount (person)	Percentage (%)
1	Contract via Chat	39	78
2	Contracts by e-mail	10	20
3	Contract via Web (Site)	1	2

Source: Interview Results

Method of Agreement Between Consumers and Sellers in Transactions Via the Internet No _Method of Agreement Contract _Amount (person) _Percentage (%) _1 _Contract via Chat _39 _78 _2 _Contract via e-mail _10 _20 _3 _Contract via Web (Site) _1 _2 _Source: Interview results Based on Table 2 shows that about 78% of the agreements between the two parties that transact via the internet do via chat, 20% via e-mail and only 2% via the website. This is in line who argues that the electronic transaction agreement between the consumer and both parties is possible by: 1). via whatsapp or video conferencing, 2) via e-mail and 3). Through the website. An agreement is made in addition to the fulfillment of the validity of an agreement, it also requires the ability to make an agreement which is the second condition of an agreement (Budi Raharja, 1999: 23) ^[3].

According to the Civil Code, a person who is capable of entering into an agreement or agreement is a person who is mature enough to be 18 years of age or married and of sound mind and not under guardianship. If the conditions are met by the parties to the agreement, then from the point of view of the agreement it is considered binding on both parties and is valid from the legal aspect of the agreement in force in Indonesia.

3.2. Legal Protection for Consumer Rights

In trade transactions via the internet, consumers have a greater risk than sellers. Consumer rights are more vulnerable to being violated (Sifa Fauziah, 2015:3) ^[15]. This is because in this transaction there is a physical meeting between the consumer and the seller which can cause various problems. One of the problems in trade transactions is privacy. Privacy allows us to create barriers and manage boundaries to protect ourselves from unwarranted intrusions in life, the right to remain independent which allows us to negotiate who and how we want to interact with the world around us. In general there are three categories of privacy, namely privacy about one's personal self, privacy about one's personal data and privacy over one's communications. Of the three privacy issues that often arise is the problem of violating the privacy of one's personal data. The results of an interview with one of the consumers (Andi Nur Fadhilah, 30 years) explained that an important factor in trading transactions via the internet is trust, each party must maintain mutual trust because agreements are made only through the media and there are no face-to-face meetings. Some things to show its validity in trading transactions, for example: 1). by including the address, 2). Including the company logo and 3) feedback from customers. This is a form of simple validity but the level of validity is almost perfect. Customers who are satisfied with the service, quality of goods and speed of delivery from a website will provide feedback. Feedback that states customer satisfaction with a website in the internet world is called positive feedback. The higher the level of consumer satisfaction with an e-commerce website, the higher the reputation and validity of the website, so that potential customers will have more confidence in the website's services. This means that everyone is responsible for all losses arising from violations committed against the provision of security for the electronic signature.

3.3. Legal Remedies for Aggrieved Consumers

3.3.1. Legal remedies for transactions via the Internet

Based on research results, a common problem encountered in conducting transactions is that often the goods that reach consumers are different from the conditions offered (Display), as told by Adi Wijaya (27 years), but does not make complaints on the grounds that he does not know how to claim compensation due to the losses they experience, there are things for those who feel disadvantaged can take legal action to claim compensation for the losses they experience through litigation and non-legitimacy, as contained in Article 38 paragraph 1 of the ITE Law and Article 45 paragraph 1 of the UUPK.

Whereas in Article 45 paragraph 1 UUPK recognizes electronic evidence as legal evidence in court as stated in Article 5 paragraphs 1, 2 and 3 of the ITE Law, the evidence that consumers can use in court are: a). Proof of transfer or proof of payment, b). SMS or e-mail stating agreement to make a purchase; c). Name, address, contact number and

account number of the business actor. However, in reality, consumers rarely make complaints due to ignorance of the form of complaint distribution provided by the Department of Industry and Trade (Dewi Lestari, 2016) ^[4]. By allowing the use of e-mail in dispute resolution (Muhammad Awais 2012) ^[10], disputing parties in trade transactions can resolve their disputes online without having to meet each other.

4. Conclusions

Based on the description in the discussion it can be concluded that in terms of the aspect of the agreement, if the contract agreement can be fulfilled in trading transaction activities via the internet can be fulfilled, then it is considered valid according to contract law in Indonesia. Consumers who carry out trade transactions via the internet have obtained legal protection under the Consumer Protection Act (UUPK) and the Information and Electronic Transactions Act (UUITE). There are two legal remedies for consumers in resolving disputes in trade transactions via the internet, namely international legal remedies using the ADR mechanism, and national legal remedies in Indonesia which can be resolved through non-litigation channels, namely through Non-Governmental Organizations, the Directorate of Consumer Protection of the Industry and Trade Office, the Dispute Settlement Agency Consumers (BPSK) and business actors, and litigation/court channels.

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