

Available online at: http://jurnal.president.university.ac.id

# PROBLEMATIKA HUKUM

| ISSN (Print) 2477-1198 | ISSN (Online) 2503-4812 |



# Assessing the Impact of Indonesia's Personal Data Protection Law on E-commerce Consumer Rights

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#### **Article**

## **Keywords:**

Personal Data Protection Law; General Data Protection Regulation; E-commerce; Consumer rights; Digital transactions; Doctrinal legal analysis

#### **Article History**

Received: Aug., 29, 2024, Reviewed: Sept.,27, 2024 Accepted: Oct., 30, 2024 Published: Dec.,02,2024

#### **Abstract**

This study seeks to examine the implications of Personal Data Protection Law (PDP) 27 on consumer rights in the Indonesian ecommerce sector through a comparison with the General Data Protection Regulation (GDPR) of the European Union. In this research, we carried out a doctrinal legal analysis method which examined consumer protection laws in between Indonesia and EU in line with e-commerce. The research showed that similar to GDPR standards, PDP 27 gives importance to individual consent, access to personal data as well as data security, giving power to consumers and trust on digital transactions. Nevertheless, its effectiveness is hindered by administrative conflicts with constitutional principles and challenges faced in practical implementation. Nonetheless these challenges, implementing PDP 27 guarantees comprehensive consumer protection for better consumer rights and company performance improvement. Therefore, the researchers argue that this paper suggests that policymakers, regulators and stakeholders need to combine their efforts to achieve efficient implantation and enforcement of PDP 27. By overcoming obstacles within it and seizing opportunities available; Indonesia could become a global role model for secure handling of information promoting innovation as well as trust towards digitalized economies.

#### 1. INTRODUCTION

Indonesia's digital economy has significant potential for further growth and advancement. It experienced substantial growth, surging from approximately US\$41 billion in 2019 to US\$77 billion in 2022. Indonesia's digital economy is expected to increase in value to US \$130 billion by 2025 and reach US \$360 billion by 2030 as reported by Dr. Agus Sugiarto,

Head of the OJK Institute Department.<sup>1</sup> The Indonesian e-commerce landscape is witnessing a remarkable surge, with its transaction value poised to hit a staggering IDR 454 trillion, roughly \$28 billion, by the close of 2023.<sup>2</sup> This report represents an impressive 48.5% growth from the previous year.<sup>3</sup> In 2021, Indonesia's e-commerce market secured its position as the world's ninth-largest, valued at an astounding \$43 billion.<sup>4</sup> The e-commerce market in Indonesia is on an extraordinary growth path, with forecasts indicating a soaring transaction value. It's expected to reach approximately IDR 530 trillion<sup>5</sup>, or around \$37.1 billion, in 2023. The momentum is set to continue with a projected rise to \$58.43 billion in 2024, culminating in an impressive \$95.84 billion by 2029.<sup>6</sup> This trajectory vividly illustrates the dynamic expansion and potential of Indonesia's e-commerce sector.<sup>7</sup> Such phenomenal growth and global standing underscore the immense potential and significance of the Indonesian e-commerce sector, making it a compelling subject for in-depth research and analysis.

However, this rapid expansion of e-commerce has brought significant consumer protection challenges.<sup>8</sup> Issues such as data breaches,<sup>9</sup> fraudulent transactions,<sup>10</sup> inadequate dispute resolution mechanisms,<sup>11</sup> and unfair trade practices<sup>12</sup> are increasingly prevalent. These challenges are compounded by the nascent stage of Indonesia's digital literacy and awareness

<sup>&</sup>lt;sup>1</sup> 'Laporan Perilaku Konsumen Indonesia 2023: Pemulihan Ekonomi Dan Tren Belanja Pasca Pandemi' (2023) <a href="https://databoks.katadata.co.id/publikasi/2023/June/14/laporan-perilaku-konsumen-e-commerce-indonesia-2023">https://databoks.katadata.co.id/publikasi/2023/June/14/laporan-perilaku-konsumen-e-commerce-indonesia-2023</a> > indonesia-2023 accessed 3 May 2024 (Jakarta) 38.

<sup>&</sup>lt;sup>2</sup> Laporan Perekonomian Indonesia 2023', Vol 1 (2023) <a href="https://Www.Bi.Go.Id/Id/Publikasi/Laporan/Pages/LPI\_2023.Aspx">https://Www.Bi.Go.Id/Id/Publikasi/Laporan/Pages/LPI\_2023.Aspx</a> Accessed 3 May 2024 (Jakarta) 23.

<sup>&</sup>lt;sup>3</sup> Triyan Pangastuti, 'E-Commerce Transaction Value to Hit \$27.5b in 2021' (*Jakarta Globe*, 2021) <a href="https://jakartaglobe.id/business/ecommerce-transaction-value-to-hit-275b-in-2021">https://jakartaglobe.id/business/ecommerce-transaction-value-to-hit-275b-in-2021</a>> accessed 2 July 2024.

<sup>&</sup>lt;sup>4</sup> 'Indonesia e-commerce sectors' (*International Trade Administration U.S. Department of Commerce*, 2022) <a href="https://www.trade.gov/market-intelligence/indonesia-e-commerce-sectors">https://www.trade.gov/market-intelligence/indonesia-e-commerce-sectors</a>> accessed 2 July 2024.

<sup>&</sup>lt;sup>5</sup> Agatha Olivia and Nabil Ihsan, 'E-Commerce Transaction Value to Reach Rp530 Trillion in 2022: BI' (Anataranews.com, 2021).

<sup>&</sup>lt;sup>6</sup> 'Ecommerce in Indonesia market - growth, trends & share' (2023) <a href="https://www.mordorintelligence.com/industry-reports/indonesia-ecommerce-market">https://www.mordorintelligence.com/industry-reports/indonesia-ecommerce-market</a>.

<sup>&</sup>lt;sup>7</sup> i*bid*.

<sup>&</sup>lt;sup>8</sup> Sonia Balhara, 'Consumer protection laws governing e-commerce' (2021) 1 Law Essentials Journal 17.

<sup>&</sup>lt;sup>9</sup> Suruchi Ahuja, 'Breach of data privacy in e-commerce with special reference to electronic payment method' [2023] International Journal of Law Management & Humanities 608.

<sup>&</sup>lt;sup>10</sup> Juthamas Thirawat, 'E-commerce in Asean: an emerging economic superpower and the case for harmonizing consumer protection laws' (2022) 18 South Carolina Journal of International Law and Business 39.

<sup>&</sup>lt;sup>11</sup> Mayank Yadav, 'E-Commerce Framework for Consumers' Protection from E- Commerce Fraud' (2022) 3 Jus Corpus Law Journal 50.

<sup>&</sup>lt;sup>12</sup> Aaryan Mohan, 'Do Edtech Companies Fall under the Ambit of E-Commerce Entities under the Consumer Protection (e-Commerce) Rules, 2020?' (2021) 4 Journal on Governance 105.

of consumer protection, making the digital marketplace a terrain fraught with potential risks for consumers.

Indonesia's legal framework for consumer protection in e-commerce, governed primarily by the Consumer Protection Law (referred to briefly as CPL 8)<sup>13</sup> and the Information & Electronic Transaction Law<sup>14</sup>, must address online transaction intricacies. These laws, groundbreaking when established, currently need help to fully encompass the complexities of digital consumer rights, online privacy, and cross-border e-commerce dealings. Indonesia enacted Government Regulation No. 80 of 2019 on Trading through Electronic Systems (referred to briefly as GR 80)15 to enhance this framework. This regulation was issued to implement the Consumer Protection Program under Presidential Regulation No. 74 of 2017 on the National E-Commerce Road Map 2017-2019 (referred to briefly as PR 74), marking a significant step in advancing consumer protection in the digital marketplace. <sup>16</sup> This regulation mandates e-commerce businesses to adhere to specific operational standards, including obtaining proper licensing, providing transparent and accurate product or service information, and ensuring adherence to tax regulations. GR 80 applies to a broad range of e-commerce participants – merchants, service providers, and intermediaries – operating within Indonesia's digital marketplace. It reinforces the need for these entities to align with consumer protection laws. It introduces additional measures for personal data security, handling consumer grievances, and resolving disputes within the e-commerce context.

Research on e-commerce within ASEAN highlights the challenges arising from the absence of harmonized consumer protection laws across member states, leading to discrepancies and practical hurdles for cross-border transactions. This lack of uniformity, exemplified by diverse and incomplete pre-contractual information duties, underscores the need for harmonization to align with global standards like those in the E.U. and the U.S.<sup>17</sup> Complementing this, existing comparative studies between Indonesia and the United States

<sup>&</sup>lt;sup>13</sup> Undang-Undang Republik Indonesia Nomor 8 Tahun 1999 Tentang Perlindungan Konsumen (1999) 2003 Peraturan Pemerintah Republik Indonesia 1 <a href="https://gatrik.esdm.go.id/assets/uploads/download\_index/files/e39ab-uu-nomor-8-tahun-1999.pdf">https://gatrik.esdm.go.id/assets/uploads/download\_index/files/e39ab-uu-nomor-8-tahun-1999.pdf</a>.

<sup>&</sup>lt;sup>14</sup> Undang-Undang Tentang Informasi Dan Transaksi Elektronik' [2008] Bi.Go.Id 1 <a href="https://peraturan.bpk.go.id/Home/Details/37589/uu-no-11-tahun-2008">https://peraturan.bpk.go.id/Home/Details/37589/uu-no-11-tahun-2008</a>>.

<sup>&</sup>lt;sup>15</sup> 'Peraturan Pemerintah Republik Indonesia Nomor 80 Tahun 2019 Tentang Perdagangan Melalui Sistem Elektronik' (2019) 80 PP No. 80 Tahun 2019 61.

<sup>&</sup>lt;sup>16</sup> Peta jalan sistem perdagangan nasional berbasis elektronik (road map e-commerce) tahun 2017-2019 2017 1.

<sup>&</sup>lt;sup>17</sup> Thirawat (n 10).

on consumer protection laws have laid the necessary groundwork in highlighting legislative inadequacies. However, these studies often need a comprehensive examination of the practical application and enforcement of these laws, particularly in the rapidly evolving context of ecommerce. Moreover, a comparative analysis with Vietnam reveals that small businesses and social media vendors need to be better supported by legal rules in both countries, indicating a need for more inclusive and implementable e-commerce regulations. While making strides in digital commerce regulation, the Indonesian approach still needs to consider the perspectives of smaller market players and ensure that regulatory frameworks are responsive to the rapidly changing digital technology era. <sup>19</sup>

Comparative studies with the US and Vietnam and research on ASEAN show that the region needs consumer protection laws that are more consistent. In response, Indonesia government published a new personal data protection law, Law Number 27 of 2022 (referred to briefly as PDP 27). PDP 27 is designed to safeguard personal data of persons. This law primarily addresses the privacy and security of personal data, especially in relation to its collection, processing, and storage by public and commercial bodies, including in digital and e-commerce activities. In contrast, CPL 8 outlines the rights of consumers and the responsibilities of businesses to uphold those rights in Indonesia. It encompasses different facets of consumer rights, such as safeguarding against unsafe products and services, deceptive advertising, and unjust business tactics. To conclude, the CPL 8 outlines consumer rights broadly, whereas the PDP 27 focuses on the technical and specialist field of personal data protection. The PDP 27 closely adheres to international standards including the EU's General Data Protection Regulation (referred to briefly as GDPR).

Despite being widely acknowledged, PDP 27 encountered a legal dispute concerning specific clauses. The petitioner contended in Constitutional Court Decision 108/PUU-XX/2022 that these rules could potentially infringe upon constitutional safeguards about protecting personal data private rights. Followed by Constitutional Court Decision 110/PUU-XX/2022 it was legally challenged against Article 15 paragraph (1) letter a of the Personal

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<sup>&</sup>lt;sup>18</sup> Felix Pratama Tjipto, 'Comparative Law Analysis of Consumer Protection Law in E-Commerce Transaction Between Indonesia and United States' (2021) 5 UIR Law Review 11 <a href="http://dx.doi.org/10.25299/uirlrev.2021.vol5(2).7456">http://dx.doi.org/10.25299/uirlrev.2021.vol5(2).7456</a>>.

<sup>&</sup>lt;sup>19</sup> Ngoc Nguyen Thi Bich and Phan Quoc Nguyen, 'Inclusive and implementa ble legal rules for e-commerce: a comparative study of Indonesia and Vietnam' (2020) 10 Indonesia Law Review 314.

Data Protection Act No. 27 of 2022, which exempts personal data rights for national defense and security purposes, sparking debates over the balance between national security interests and individual privacy rights. This legal challenge highlights the continuing difficulty of harmonizing data protection laws with constitutional rights, representing a key milestone in developing Indonesia's legal position on privacy and personal data protection. This article aims to critically assess the impact of Indonesia's Personal Data Protection Law on the protection of consumer rights within the e-commerce landscape,

The purpose of this analysis extends beyond academic discourse to offer substantive guidance for Indonesian policymakers. By examining international best practices, particularly those from the EU, and considering the specific context of Indonesia's digital commerce environment, the objective is to propose informed recommendations that enhance the security and rights of consumers engaging in online transactions. Ultimately, this research endeavors to contribute to creating a robust and consumer-centric e-commerce ecosystem in Indonesia.

How does Indonesia's Personal Data Protection Law impact consumer rights within e-commerce? The objective of this research is to examine the consequences for consumer rights in the e-commerce.

#### 2. RESEARCH METHODS

This study employs a doctrinal legal analysis methodology, a traditional approach widely used in legal research, to examine and compare the consumer protection laws in ecommerce between Indonesia and the European Union. Doctrinal legal analysis is a systematic and comprehensive study of the laws and legal principles within specific legal systems, involving an analysis of the laws and the academic discourse surrounding them.<sup>20</sup> This approach emphasizes comparative research on laws and legal institutions from diverse jurisdictions. It primarily aims to evaluate and comprehend the shortcomings and successes of the compared legal systems, ultimately developing a refined and improved legal framework.<sup>21</sup> This method involves:

a. Comprehensive Legal Document Review:

<sup>20</sup> Sanne Taekema, 'Methodologies of rule of law research: why le-gal philosophy needs empirical and doctrinal scholarship' (2021) 40 Law and Philosophy 33.

<sup>&</sup>lt;sup>21</sup> Urmi Roy, 'Doctrinal and non-doctrinal methods of research: a comparative analysis of both within the field of legal research' (2023) 5 Issue 2 Indian JL & Legal Rsch. 1.

Analyzing the legislative texts, judicial decisions, and governmental regulations relevant to consumer protection in e-commerce. For Indonesia, this includes laws such as the Consumer Protection Law (UUPK Law No. 8/1999), the Information & Electronic Transaction Law (ITE Law No. 11/2008), and Government Regulation No. 80 of 2019 on Trading through Electronic Systems (GR 80). For the EU, the analysis will focus on various directives and regulations that form the backbone of consumer protection in digital commerce.

# b. Comparative Legal Analysis:

Systematically comparing the legal provisions of Indonesia and the EU to identify similarities, differences, strengths, and gaps. This comparative analysis will offer insights into the legal frameworks' adaptability, effectiveness, and comprehensiveness in both jurisdictions.

# c. Secondary Sources Consultation:

Review academic literature, legal commentaries, and industry reports to enrich the understanding of these laws' doctrinal context and practical implications.

The doctrinal methodology is chosen for its effectiveness in providing a precise, structured analysis of legal texts and their interpretations, especially in a comparative context.<sup>22</sup> Critical aspects of doctrinal research include its focus on meticulous detail, employing comparative methods, and striving for systematization to ensure the coherence and consistency of legal systems.<sup>23</sup> It allows for a thorough exploration of legal rules and principles as they apply to consumer protection in e-commerce, addressing the research questions outlined in this study. This approach will facilitate a comprehensive understanding of the existing legal landscape and contribute to identifying best practices and potential areas for legal reform in Indonesia's e-commerce sector.

<sup>&</sup>lt;sup>22</sup> *ibid*.

<sup>&</sup>lt;sup>23</sup> Taekema (n 20).

#### 3. DISCUSSION

# 3.1 Evaluate the main provisions and their effects on consumer rights.

Implementing of Indonesia's Personal Data Protection Law No. 27 of 2022 (PDP 27) places Indonesia as a country that places human rights in line with international standards, in this case, GDPR. From the PDP 27 analysis results, it is clear that consumers' rights to their personal data are strictly protected. These rights include consent to the processing of personal data (article 20), the right of access to a copy of personal data (article 7), the consumer's right to terminate, delete, or destroy their data (article 8), as well as the right to the security of consumer personal data (article 39). Further article 8 signifies requirements that allow consumers to decide whether to consent to data processing, giving them complete control over their data. This principle aligns with international trends, the European Union's General Data Protection Regulation (GDPR). The consent guideline provided by PDP 27 makes Indonesian consumers active players in their data rather than data providers.

PDP 27, specifically articles 6 to 8, gives consumers the right to update data, obtain a copy of personal data, and delete it. Implementing these articles gives consumers strong control over how their data is used in the context of digital commerce or e-commerce.<sup>27</sup> The PDP 27's Articles 6-8 follow the stipulations mentioned in Article 15 GDPR: the data subject shall possess the entitlement to obtain confirmation from the controller regarding the processing of personal data pertaining to them.<sup>28</sup> This reflects an increasing international agreement regarding the significance of data accuracy and transparency in the era of digitalization. The increase in data breaches in the e-commerce sector has been given significant consideration in PDP 27 Article 16, paragraph 2 (e) and Article 35 paragraph b. These articles outline security measures aimed at safeguarding customer data to prevent future data leaks.<sup>29</sup> Both of these articles place the burden of responsibility on customers to safeguard their data while simultaneously holding users of consumer data accountable for preserving consumers' personal data. Data users, particularly in the e-commerce sector,

<sup>&</sup>lt;sup>24</sup> Undang-Undang Republik Indonesia Nomor 27 Tahun 2022 tentang Perlindungan Data Pribadi 2022.

<sup>&</sup>lt;sup>25</sup> *ibid*.

<sup>&</sup>lt;sup>26</sup> GDPR 2016.

<sup>&</sup>lt;sup>27</sup> *Ibid* no.1

<sup>&</sup>lt;sup>28</sup> *ibid* no.3

<sup>&</sup>lt;sup>29</sup> *Ibid* no.1

have obligations that align with the provisions outlined in Article 32 of the General Data Protection Regulation (GDPR) pertaining to the safeguarding of data processing.<sup>30</sup>

Equally significant is that each consumer is entitled to demand the removal of their data from the company's storage system, as explicitly outlined in Article 8 of the PDP 27. This right grants customers ownership of their data and imposes an obligation on the firm to comply despite the company's necessity to store consumer data.<sup>31</sup> This policy also meets the standards contained in GDPR Article 17, the right to be forgotten.<sup>32</sup>

# 3.2 Analysis of Rights and Application in Context

The General Data Protection Regulation (GDPR), implemented by the European Union, stands on the customer privacy and security right that creates balance with the need of customer data stored by companies. This policy reflects Europe's firm dedication to safeguarding data privacy and security, particularly in light of the growing use of cloud services and incidents of data breaches. The statement asserts that the utilization of personal data must rely on consent. The term 'consent' of the data subject refers to a voluntary, explicit, well-informed, and unequivocal indication of the data subject's desires, expressed through a statement or an explicit affirmative action, indicating approval to process personal data concerning them as stipulated in Article 4.33 The GDPR's definition of consent aligns with the Opinion Directive 95/46/EC of the European Parliament and Council. According to this definition, consent refers to a voluntary, explicit, and informed expression of the data subject's agreement to the processing of their data.<sup>34</sup> Therefore, the Personal Data Personal Law No. 27 Year 2022 (PDP 27) conforms to the global benchmark for obtaining consumer consent to commercially utilize their personal data. It highlights the consumer's entitlement to access and acquire copies of their data, as well as the right to handle and delete their personal data, regardless of the company's stipulations.<sup>35</sup>

Consumers have the right to a buying experience that is both safe and secure, enabling them to choose and acquire goods or services that meet their expectations and are

<sup>&</sup>lt;sup>30</sup> *Ibid* no.3

<sup>&</sup>lt;sup>31</sup> Undang-Undang Republik Indonesia Nomor 27 Tahun 2022 tentang Perlindungan Data Pribadi.

<sup>&</sup>lt;sup>32</sup> *Ibid* no.3

 $<sup>^{33}</sup>$  ibid.

<sup>&</sup>lt;sup>34</sup> Article 29 Working Party, 'Opinion 15/2011 on the Definition of Consent' 38.

<sup>&</sup>lt;sup>35</sup> Undang-Undang Republik Indonesia Nomor 27 Tahun 2022 tentang Perlindungan Data Pribadi.

accompanied by guarantees. Individuals can get precise information, express grievances, be treated fairly, and receive compensation if the goods or services do not meet the specified standards.<sup>36</sup> Therefore, according to PDP 27, companies must prioritize safeguarding their customers' security and privacy. They should provide customers with transparent, thorough, and easily understandable information about how their personal data is utilized. Additionally, companies should empower customers to control their data, which is crucial for maintaining trust and confidence in the digital marketplace.<sup>37</sup> Furthermore, the most critical part of PDP 27 is that consumers have the right to remove its personal data and companies are obligated to comply with this request. Although organizations are obligated to safeguard consumer privacy and security, consent for data processing in Indonesia may not always be given willingly. Since digital government services depend on the processing of personal data, citizens may potentially forfeit their rights if they choose not to give their consent. This condition is in opposition to the Indonesian Government's Open Government project, which was introduced in 2012. The objective of this effort is to streamline services for the population.<sup>38</sup>

# 3.3 Challenges and Benefits

Amidst the rapidly evolving digital landscape in Indonesia, the government's announcement of a comprehensive personal data protection policy is a significant step. However, it's crucial to address the challenges that accompany this policy, such as the absence of autonomous jurisdiction, accountability, and the potential infringement upon constitutional rights. First, the PDP Law has established a PDP Agency to safeguard privacy and personal data, which will play a pivotal role in this context. The agency will be responsible for creating regulations, overseeing their application, imposing penalties, and facilitating the resolution of disputes. It's important to note that a presidential decree will form the agency, while a government rule will delineate its processes.<sup>39</sup> Second,

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<sup>&</sup>lt;sup>36</sup> Felix Pratama Tjipto and others, 'Consumer Protection Law: The Case Study Of Grabtoko Company In Indonesian E-Commerce Transactions' (2021) 5 Journal of Private and Commercial Law 120.

<sup>&</sup>lt;sup>37</sup> Masitoh Indriani and Annida Aqiila Putri, 'Persetujuan Dinamis Sebagai Sarana Optimalisasi Pelindungan Data Pribadi Dan Hak Atas Privasi (The Dynamic Consent for Optimizing Personal Data Protection and The Right to Privacy)' (2023) 14 Jurnal HAM 105.

<sup>38</sup> ibid.

<sup>&</sup>lt;sup>39</sup> Marshall Situmorang and Audria Putri, 'Indonesia: Law No . 27 Of 2022 On Personal Data Protection: A High-Level Overview On The New Personal Data Protection Law' (*Mondaq*, 2022).

although there were regulations regarding personal data protection, the absence of a particular comprehensive law made it challenging for individuals to hold organizations responsible for data misuse. <sup>40</sup> In case No. 108/PUU-XX/2022, the petitioner contends that Indonesia's PDP Law lacks enough legal safeguards for individuals who use personal data, including home-based e-commerce operators who are susceptible to unauthorized access by hackers during financial transactions. The petitioner highlights that the swift progress of information technology facilitates the effortless gathering and transmission of personal data, frequently without the knowledge of the individual concerned, thereby endangering their fundamental rights. The petitioner argues that personal data is an essential aspect of human rights that should be protected. They criticize the PDP Law for not effectively safeguarding the rights of individuals whose personal data is involved. <sup>41</sup>

In addition to the challenges above, implementing PDP 27 offers three primary advantages: comprehensive consumer protection, greater consumer rights, and fostering healthy business competitiveness. The term "comprehensive" describes PDP 27 because of its explicit definition of personal data (including specific and general data) and the rights and responsibilities of many parties involved in data processing, such as consumers, enterprises, public authorities, and international organizations. PDP 27 highlights explicitly the rights and obligations of all participants in the business, including consumers. PDP 27 mandates that organizations with expertise in their respective domains hire a personal data protection officer to enforce these rights and responsibilities. In addition, there are penalties in the event of a dispute, ranging from written reprimands and temporary suspension of personal data processing operations to the destruction of personal data. These penalties can even include administrative fines and, in severe cases, imprisonment. 4243 PDP 27 provides explicit descriptions of consumer rights, including the right to receive information, the right to rectify personal data, the right to access and obtain personal data records, the right to erase personal data, the right to withdraw consent, the right to object, the right to initiate legal proceedings and seek compensation, and the right to receive personal data from the

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<sup>&</sup>lt;sup>40</sup> Dewi Susanti, 'A Brief Overview of the Indonesian Personal Data Protection Law' (Schinder Law Firm, 2022).

<sup>&</sup>lt;sup>41</sup> 'Case No 108 PUU XX 2022' (2022) [Indonesian Constitutional Court]

<sup>&</sup>lt;sup>42</sup> Situmorang and Putri (n 39).

<sup>&</sup>lt;sup>43</sup> Christophorus Wisnoe Rurupadang, 'Personal Data Protection Efforts Through Law Number 27 of 2022 on Personal Data Protection' (*A&Co Law*, 2022) <Personal Data Protection Efforts Through Law Number 27 of 2022 on Personal Data Protection - A&Co Law (aco-law.com)> accessed 19 April 2024.

controller.<sup>44</sup> PDP 27 is expected to foster robust competition and ultimately stimulate economic growth. This phenomenon can occur due to the expansion of digital commerce, fueled by the establishment of robust safeguards for personal data, leading to increased trust and confidence among consumers. Investors will also be highly concerned about safeguarding personal data, as PDP 27 already adheres to international norms, specifically the General Data Protection Regulation (GDPR). Data protection is crucial for fostering innovation and facilitating the expansion of information and communication technology (ICT) by both foreign and domestic investors.<sup>45</sup>

## 4. CONCLUSION

An analysis of Indonesia's Personal Data Protection Law (PDP 27) highlights its importance in protecting consumer rights in the e-commerce sector. By adopting international benchmarks as reflected in the European Union's General Data Protection Regulation (GDPR), PDP 27 positions Indonesia as a leader in safeguarding data privacy. The provisions of PDP 27 were appraised and found to be grounded on a solid underpinning that emphasizes individual consent, individual access to personal information, and an individual's right to data security. These allow customers to control their data more actively, making digital transactions more trustworthy. At the same time, it is essential to note that possibilities such as administrative conflicts with the constitution and the necessity of practical implementation tools are still a problem for this Act. Policymakers, regulators, and stakeholders need to struggle together to make PDP 27 practically workable and facilitate its compliance. Despite the challenges, the implementation of PDP 27 promises a multitude of benefits. It ensures complete consumer protection, enhances consumer rights, and boosts business competitiveness. The Act's provisions, clearly outlining rights and obligations, are accompanied by stringent penalties for noncompliance, fostering an environment conducive to e-commerce growth and innovation. Indonesia must address these challenges while taking advantage of the opportunities

<sup>&</sup>lt;sup>44</sup> M Harvardy Iqbal, Windri Marieta and Sylvia Marisa Mauren, 'Law Number 27 of 2022 Concerning Personal Data Protection Regulatory Approach to Personal Data Protection and How It Impacts the Business Actors' (hmmattorneys, 2022).

<sup>&</sup>lt;sup>45</sup> A. Oktarina, 'Legal Analysis of Law No. 27 of 2022 Concerning Personal Data Protection, and the Urgency of Its Implementation in Society' (*A.M Oktarina Counsellors at Law*, 2022).

presented by PDP 27. Thus, by creating an environment that fosters trust, transparency, and innovation, Indonesia can become a leader in data security management.

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