Comparison of Legal Regulations on E-Commerce in Southeast Asia (Indonesia – Singapore)

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ABSTRACT
The purpose of this study is to analyze: 1) How is the legal regulation on each e-commerce in Southeast Asia (Indonesia - Singapore)? 2) How effective is the legal system applied by law to e-commerce in Southeast Asia (Indonesia - Singapore)? The research method used is normative juridical with a statutory approach, concept approach, and case studies.

The results showed that: 1) The content of e-commerce regulations in Indonesia regulated in Law No. 11 of 2008 contains (a) Principles and objectives; (b) Information, documents and electronic signatures. In this case, electronic signatures are recognized as having the same legal force as conventional signatures (wet and materied ink); (c) Electronic Certification Providers and Electronic Systems; (d) Electronic evidence recognized as having the same legal force as other evidence recognized in the Code of Criminal Procedure; (e) Electronic Transactions (e-commerce); (f) Regulation of domain names, Intellectual Property Rights and protection of personal rights; (g) Prohibited acts; (h) Dispute resolution; (i) The role of government and the role of society; (j) Investigation; and (k) Criminal provisions. Meanwhile, Singapore's policy stipulated in the Electronic Transaction Act 1998 (ETA 1998) contains: a. electronic records and general signatures; b. obligations of network service providers; c. electronic contracts; d. secure electronic records and signatures; e. the effect of digital signatures; f. general duties relating to digital signatures; g. duties of certification authorities; h. customer duties; i. certification authority regulations; j. the government uses electronic records and signatures of general provisions (criminal provisions). 2) The era of Global Trade requires the support of the Digital Economy which is reflected in the birth of electronic trading activities, in various forms of activities such as: retail trade, auction of goods, service offerings, and so on. As a consequence, traditional stores were replaced by electronic stores known as: Cyberstore, Virtual Store, Digital Market, Electronic Mall, Online Shop and so on. The growth of the digital economy certainly has a positive and negative impact on global economic life that no longer knows the territorial boundaries of a country.

Keywords: Comparison, Regulation, Law, E-Commerce, Southeast Asia, Indonesia, Singapore

INTRODUCTION
Background
Technology is developing very rapidly today causing business strategies and sales as the spearhead of all businesses to increasingly lead to the mastery and use of technology. It is also characterized by the
emergence of e-commerce which is a trade transaction activity through electronic or internet networks. Based on its development, there are 10 most widely used online marketplaces in Southeast Asia, namely Shopee, Lazada, Tokopedia, Bukalapak, Tiki, Blibli, Zalora, Qoo10 and Amazon.

The development of electronic digital media as a marketing medium is also accompanied by legal security for risks that can arise from problems in e-commerce activities and transactions between online businesses and consumers. These legal risks are related to transaction security, both in terms of payment, logistics and delivery, authenticity of identity, protection of privacy and data, services and settlement of complaints from consumers, buying and selling contract relationships, including the risk of claims from other third parties. According to a report by Bain and Company, the main problems that often arise in e-commerce in Southeast Asia are crummy delivery services, complicated return processes and lack of information related to services.

Departing from the problems found in e-commerce in Southeast Asian countries, it is known that the United Nations Commission on International Trade Law (UNCITRAL) is a reference for E-commerce Law and Law makers around the world which in article 5 states that information, effect, validity or legal power, cannot be rejected solely on the basis of massage data (Sanusi, 2001). In addition, to harmonize laws on e-commerce in Indonesia and other Southeast Asian countries, it is known that in the ASEAN conference, the United Nations Conference on Trade and Development (UNCTAD) was formed in 1964 which is an organization that plays a role in helping support the harmonization of e-commerce laws and legal reform. UNCTAD is also known to cooperate with UNCITRAL and Telecommunication on Union (ITU).

In some Association of Southeast Asian Nations (ASEAN) jurisdictions with existing E-commerce laws and regulations, policymakers and governments have further refined such laws and also put in place new e-commerce laws and policies in each country containing (i) governing laws; (ii) regulatory authorities; (iii) licensing and market entry requirements; (iv) payment solutions and consumer-centric matters regarding (v) product obligations; (vi) data protection and (vii) consumer protection.

Meanwhile in Indonesia itself, the government also built regulations governing the electronic-based economy by issuing Economic Policy Package XIV on E-commerce. In addition, the government also issued Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems (PMSE) which regulates the parties who perform, requirements, implementation, obligations of business actors, climate, offers, acceptance, confirmation, contracts, payments, delivery of goods, exchange of goods in trade with electronic systems, personal data protection, PMSE dispute resolution to PMSE supervision and guidance.

In e-commerce or business actors in Indonesia, it is also known to refer to Law No. 11 of 2008 concerning information and electronics (ITE Law) with the aim of providing legal certainty and protection for e-commerce sector actors. In Indonesia, for consumers who make transactions through e-commerce, legal regulations have been stipulated, namely in Law No. 8 of 1999 concerning consumer protection, which is commonly used or used to protect the rights of consumers. However, this Law only applies to business
actors who are only engaged in the jurisdiction of the Republic of Indonesia. Thus, problems usually occur when the business or e-commerce actor is outside the jurisdiction of law in Indonesia.

Meanwhile, in this regard, considering that the law applied in Indonesia only moves in jurisdictional areas, researchers want to conduct comparative research on regulations on e-commerce such as Shopee, Lazada and Tokopedia specifically in Southeast Asian countries. So this encourages researchers to know the regulations and effectiveness of e-commerce laws applied in Asian countries, especially Southeast Asia with the title "COMPARISON OF LEGAL REGULATIONS ON E-COMMERCE IN SOUTHEAST ASIA (INDONESIA-SINGAPORE)".

Problem Statement
1. What are the legal regulations on each e-commerce in Southeast Asia (Indonesia - Singapore)?
2. How effective is the legal system applied by law to e-commerce in Southeast Asia (Indonesia - Singapore)?

Theoretical Framework
1. Legal System Theory
Lawrence M. Friedman in (suggests that the effectiveness and success of law enforcement depends on three elements of the legal system, namely the structure of law, substance of the law and legal culture. The legal structure concerns law enforcement officials, the substance of the law includes legislation and legal culture is a living law adopted in a society.

2. Theory of Legal Effectiveness
Effectiveness means the effectiveness of the effect of success or efficacy. According to Soekanto (2008) the theory of legal effectiveness is used to determine the effectiveness or absence of a law, which can be determined by 5 factors, namely:
1) Legal factors derived from the Act.
2) Law enforcement factors, which are parties who assist or apply the law.
3) Factors of facilities or facilities that support law enforcement.
4) Community factors, which are the environment in which the law applies or is applied.
5) As well as cultural factors, which are the results of work, creation and taste based on human charities in the association of life.

The theory of legal effectiveness can be analyzed and divided into two, namely: (1) modern society which is a society whose economy is based on a very broad market, specialization in industry and the use of advanced technology where laws are made and enforced by authorized officials; and vice versa (2) primitive societies (Salim and Erlis, 2013).

Research Methodology
When viewed from the formulation of the problem and the purpose of the study, the approach method used in this study is normative juridical, considering that the problems studied and studied adhere to juridical aspects, namely based on norms, regulations, legislation, legal theories and the opinions of legal experts.

Data collection technique is a way of procuring and collecting data in terms of research purposes. This process is an important process in order to support and clarify the results of research so that they can be
accounted for. The type of data used in this study is secondary data, namely data obtained from literature studies and documentation studies to obtain conceptions, theories or opinions as well as theoretical foundations that are closely related to the problems studied in this study.¹

RESEARCH RESULTS

Legal Regulation on Each E-Commerce in Southeast Asia (Indonesia - Singapore)

The term electronic transaction law is often defined as legislation that facilitates e-commerce by providing: legal certainty for the recognition of electronic communications, electronic and electronic records; signatures. Electronic transaction law in Asian countries according to APEC (Asia-Pacific Economic Corporation) is often influenced by international agreements, for example: UNCITRAL Model Law on Electronic Commerce (UNCITRAL, 1996), UNCITRAL on Electronic Signatures (UNCITRAL, 2001), and the United Nations Convention on the Use of Electronic Communications in International Contracts (UN, 2005). The three basic principles of UNCITRAL 1996 and UNCITRAL 2001 are as follows: (APEC, 2020)

1) Non-discrimination between E-transactions, meaning that a communication must not be denied validity in the form of electronic form on its sole basis;

2) Neutrality technology, allowing electronic communications that have met certain criteria to have the same functions and legal rights as traditional paper-based;

3) Functional equivalence, where equal treatment of different technologies, means (email, Internet, instant messaging, fax, etc.); and where possible, to have detailed provisions on technological requirements in the implementing regulations of e-commerce legislation.

According to ESCAP (2018) Government institutions issue regulations on e-commerce laws in Asia with the aim of: (1) Legal and regulatory environment to facilitate online transactions; (2) Measures to make participation in e-commerce affordable and accessible; (3) as a policy initiative to directly facilitate e-commerce activities; (4) as a public-private partnership effort. Legislative measures related to e-commerce stipulated appropriate regulatory mechanisms can lower legal barriers to the use of e-commerce and expand cross-border transactions. The legal regulations of e-commerce in Asia consist of:

1) Electronic Transactions Law, which facilitates e-commerce by making paper and electronic forms of exchanges legally equivalent;

2) Consumer Protection Act, aimed at stopping businesses from engaging in unfair, deceptive, or fraudulent online practices; Effective consumer protection laws can help promote consumer confidence as well as to enhance consumers' capacity to better engage in cross-border ecommerce transactions in a safe and informed manner, reaping opportunities while reducing risk (OECD, 2018)

3) Privacy and Data Protection Laws, which govern how personally identifiable information of individuals collected by any entity, such as government, public or private organizations, may be stored and used;

4) Cybercrime Law, covers criminal activities where computers or computer networks are used to commit offenses or crimes (Kshetri 2009).

¹ Muhamaad Zainuddin, Understanding Legal Research Methods (Definition, Paradigm, and Formation Structure), (Yogyakarta: Istana Agency, 2019), Page 52
According to APEC (2020) consumer protection laws can vary significantly among APEC economies, as each member has a different legal and statutory environment. For example, members such as Mexico and Peru rely heavily on general civil law laws to address e-commerce while Brunei Darussalam, China, Indonesia, Malaysia, Singapore, Thailand, and Vietnam have adopted their consumer protection laws including specific provisions to deal with e-commerce, whereas others have passed specific laws.

Basically, the policies and rules of legislation on trade, both those carried out conventionally (face to face) and those carried out electronically, have the same goal, namely carrying out legal, honest trade activities, based on the principles of fair business competition and respecting and protecting consumer rights. Honest trade can refer to Law No. 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition and for the protection of consumer rights can refer to Consumer Protection Law No. 8 of 1999 concerning Consumer Protection.

Legal regulations governing e-commerce are legal regulations that refer to business law, regulated based on personal or civil interests only. In Indonesia, this is stated in the Commercial Law Code (KUHD) and the Civil Code (KUH Percivil). The KUHD is a special provision (Lex Specialist) and the Civil Code is a general provision (Lex Generalis) (Samiyono et al, 2021).

Government Regulations (PP) related to regulatory regulations on electronic systems and commerce in Indonesia can be seen in PP No. 71 of 2019 concerning the Implementation of Electronic Systems and Transactions and PP No. 80 of 2019 concerning Trading Through Electronic Systems whose material regulates the legal aspects of trade in the implementation and utilization of electronic systems specifically intended for trade. Regarding the scope of regulation in PP No. 80 of 2019 covers all trading activities carried out using various modes and types of electronic communication systems, both online and off-line. This will include legal relations in the context between business actors (business to business) and business actors with consumers (business to customer).

Based on Government Regulation Number 82 of 2012 Article 49 concerning the Implementation of Electronic Systems and Transactions, states that:
1) The seller must provide detailed information about the goods offered to consumers,
2) The seller must provide clarity about the purchase contract or commonly referred to as the terms in the purchase,
3) The seller gives a time limit in the return of the goods if it does not match or there is a problem with the goods,
4) Seller provides information to consumers about static delivery of goods,
5) The seller should not give an obligation to pay if there is no contract in place.

The agreement used in e-commerce activities is basically the same as the agreement made in conventional transactions, but the agreement used in e-commerce is an agreement made electronically or through an electronic system (Article 1 Number 17 of the ITE Law). Meanwhile, legal regulations governing consumer protection in Indonesia are regulated in Law Number 8 of 1999 concerning Consumer Protection (UUPK).
Another regulation that specifically regulates electronic commerce transactions or *e-commerce* is Government Regulation No. 80 of 2019 (PP 80/2019) concerning Trading Through Electronic Systems. This PP regulates parties who carry out activities through electronic systems, including: Understanding and Scope of Trade Arrangements, Trading Requirements, Trade Implementation, Obligations of Trading Business Actors, Proof of Trade Transactions, Electronic Advertising, Offers, Acceptance and Confirmation, Electronic Contracts, Protection of Personal Data, Payment in Trade, Delivery of Goods and Services, Exchange of Goods or Services and Cancellation of Purchases in Trade, Trade Dispute Resolution, Guidance and Supervision and Administrative Sanctions. PP 80/2019 also regulates if trading activities through electronic systems harm consumers, consumers can report their losses to the Minister (who organizes affairs in the field of Trade) and reported business actors must complete the reporting. If this is not done, then business actors can be included in the Priority List of Supervision by the Minister which can be accessed by the public.

Meanwhile, *the e-commerce law* applied in Indonesia describes the situation of society with the advancement of computer technology and the development of internet networks. So that the role of *e-commerce law* in Indonesia is made based on the following: (Rahardjo, 2010)

1) Law is adaptive
2) E-commerce Law As Part of Progressive Law
3) Laws to keep pace with globalization.

Meanwhile, in the regulation of trade organizers through electronic systems, it is known that business actors are required to provide complaint services for consumers, which at least include:

1) Address and contact number of the complaint
2) Consumer Complaints Procedure.
3) complaint follow-up mechanism.
4) officers who are competent in processing complaints.
5) Complaint resolution period.

In addition, merchants or *e-commerce* business actors in legal regulations are also required to:

1) Prioritizing the use of Indonesian high-level domain names.
2) Prioritizing the use of internet protocol addresses (IP addresses).
3) Use server devices placed in data centers.
4) Perform electronic system registration.
5) Meet the requirements of technical requirements set by relevant agencies and obtain certificates of reliability.
6) Submit data and/or information periodically to government agencies that carry out government affairs in the field of statistics.
7) Comply with the provisions of other sectoral laws and regulations related to the licensing of PMSE business activities.

Furthermore, e-commerce *legal regulations* also lead to the protection of personal data (customers), where the owner of personal data has the right to request deletion of data on the system, if the owner of personal data intends to leave, unsubscribe or stop using *e-commerce services and facilities*. Furthermore, based on the regulation of Law Number 8 of 2011 concerning responsibility for all legal consequences of an electronic transaction determines that:
"All legal consequences of the implementation of electronic transactions are the responsibility of the parties who make the electronic transactions, in this case the sending and receiving parties. If the transaction is made through a power of attorney, then the responsibility lies with the authorizer, likewise if the electronic transaction is carried out through an electronic agent, he is responsible for all legal consequences carried out. Likewise, if the loss of electronic transactions is caused by the failure of the operation of the electronic agent due to the actions of third parties. If it fails to operate due to negligence on the part of the service user, then the legal consequences will be the responsibility of the service user. Exclusion from liability and legal consequences in the implementation of electronic transactions by the parties or the authorizing party or electronic agent cannot be applied if force majeure arises and there is error or negligence on the part of the user of the electronic system".

The development of e-commerce in Indonesia is relatively rapid, considering that currently digitalization has been carried out since the pandemic hit. In addition, e-commerce transactions in Indonesia need to be optimized in terms of law so that the transaction activities carried out do not cause disputes in the running of the transaction. Taxes need to insert tax issues for transactions through e-commerce media. Especially in Business to Consumer (B2C) e-commerce which is the fastest growing in Indonesia and has constraints in imposing taxes. 2

From the data in the UNCTAD B2C E-commerce index 2020, Indonesia is not included in the Top 10 UNCTAD B2C E-commerce Index 2020, which should be the largest number of transactions in Southeast Asia, at least Indonesia can be included in the data. If you look at the first position in the data, there is Singapore which occupies the first position. Reflecting on Singapore, tax regulations regarding online shopping, especially B2C e-commerce, are regulated in the Inland Revenue Authority of Singapore (IRAS) and the Singapore Goods and Services Tax Act (GAT), besides that it is known that Singapore is internationally recognized for its efficient and competitive tax system that allows companies and entrepreneurs to enjoy low tax rates and utilize various types tax breaks.3

With the arrival of e-commerce as a significant new type of business, Singapore presents a Technical Reference for E-commerce Transactions (TR 76) that aims to bring greater transparency to the e-commerce industry, which will make consumers make more informed purchases. 4 In addition, Singapore also has an official E-NETS institution as a National Payment Gateway which is useful for recording all types of online transactions.5 And already has a special policy regarding B2C e-commerce rules with the presence of Overseas Vendor Registration (OVR).6

Policies specifically concerning trading activities through electronic media have been introduced in 1996 through the ECommerce Hotbed Program (Wong, 2003: 26). The first official regulation regarding e-

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3 Singapore Tax rates and tax system, seen in https://www.corporateservices.com/singapore/singapore-tax-system/
commerce in Singapore contains infrastructure in developing e-commerce both legally and technically. In 1998, a more comprehensive regulation was issued by the Singapore government, the Electronic Commerce Master Plan. Singapore's vision as an International E-commerce Hub began to be proclaimed in the Master Plan. The realization plan is pursued by building strength in international trade, international financial services, as well as telecommunications and transportation infrastructure.\(^7\)

In Singapore there is a Casetrust Institute that certifies online merchant sites (web certification). The primary purpose of providing certification to retailers or online business actors (web certification) so that they continue to carry out business activities in accordance with the applicable provisions in the Internet Code of Practice. The main considerations underlying certifying retailers or businesses are their requirement to adhere to the code of conduct set by each industry, declarations on trade practices and willingness to be audited by accreditation schemes. In some cases, usually retailers or business actors who have been certified will gain high enough trust from consumers. Therefore, those who want to benefit from the certification can apply for certification to the Case Trust which of course must be completed with supporting documents and administrative costs.\(^8\)

The content of e-commerce regulations in Indonesia regulated in Law No. 11 of 2008 contains (a) Principles and objectives; (b) Information, documents and electronic signatures. In this case, electronic signatures are recognized as having the same legal force as conventional signatures (wet and material ink); (c) Electronic Certification Providers and Electronic Systems; (d) Electronic evidence recognized as having the same legal force as other evidence recognized in the Code of Criminal Procedure; (e) Electronic Transactions (e-commerce); (f) Regulation of domain names, Intellectual Property Rights and protection of personal rights; (g) Prohibited acts; (h) Dispute resolution; (i) The role of government and the role of society; (j) Investigation; and (k) Criminal provisions.\(^9\)

Meanwhile, Singapore's policy stipulated in the Electronic Transaction Act 1998 (ETA 1998) contains: a. electronic records and general signatures; b. obligations of network service providers; c. electronic contracts; d. secure electronic records and signatures; e. the effect of digital signatures; f. general duties relating to digital signatures; g. duties of certification authorities; h. customer duties; i. certification authority regulations; j. the government uses electronic records and signatures of general provisions (criminal provisions).\(^10\)

Effectiveness of the legal system applied by law to e-commerce in Southeast Asia (Indonesia - Singapore)

In today's world of global commerce, electronic transactions are inevitable. Electronic Commerce (E-commerce) is an example of the advancement of information technology, where business transactions are no longer carried out conventionally, which requires buyers to interact directly with sellers or there is a need to use cash. But the seller is represented by a system that serves buyers online through the medium

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\(^7\) Ulya Amaliya, op.cit., p 8
\(^8\) Iman Sjahputra, PerlindunganKompromitutmoeunsdearlam Electronic Transactions, P.T. Alumni, Bandung, 2010, pp 209-210
\(^10\) Ibid.
of computer networks. In making a transaction, a buyer confronts and communicates with the system that represents the seller. Therefore, E-commerce requires a system infrastructure that is able to ensure the security of these transactions.

The era of global trade requires the support of the Digital Economy which is reflected in the birth of electronic trading activities, in various forms of activities such as: retail trade, auction of goods, service offerings, and so on. As a consequence, traditional stores were replaced by electronic stores known as: Cyberstore, Virtual Store, Digital Market, Electronic Mall, Online Shop and so on. The growth of this digital economy certainly has a positive and negative impact on global economic life that no longer knows the territorial boundaries of a country.11

In Indonesia, trade through electronic means is currently regulated in Law Number 11 of 2008 which has been amended into Law Number 19 of 2016 concerning Electronic Information and Transactions, Law Number 7 of 2014 concerning Trade and Government Regulation Number 82 of 2012 concerning the Implementation of Electronic Systems and Transactions. The regulation is still partial because it has not reached the main problems in the use of e-commerce, namely electronic contracts, electronic payments and security guarantees, dispute resolution, national borders and laws used, consumer protection, taxes and most importantly harmonization of the legal system. While in Singapore has regulations on e-commerce contained in The Electronic Act 1998 (Act on electronic transactions), as well as the Electronic Communication Privacy Act (ECPA).12 Even the UN international agency through UNCITRAL (United Nations Commission International Trade Law) has formulated a policy model regarding e-commerce that can be used by countries around the world.13

Regulations issued by each country in Southeast Asia have their own effectiveness. Regulations or rules regarding e-commerce are intended for parties to get protection in accordance with their rights and obligations. In addition, the regulation is also intended to find solutions if a time occurs things that were not foreseen, such as default, fraud, physics and so on.

The legality of e-commerce applied in each country does not only stop at the establishment of companies or licenses, but all matters that can facilitate the course of all business activities, strengthen the business foundation to maintain and hope for the continuity of business activities, in order to win competition in business. The legality aspect has a major and very important role. Every part of the activity in carrying out and implementing business wheel activities from simple to complex affairs is also a matter of legality aspects themselves.

The legal aspect in e-commerce is related to regulations or rules that regulate the course of e-business to be in accordance with the laws and regulations that apply to a country. The legality process will be an entry point for business actors to develop their ecommerce business. In this case, the legality angle must

13 Deky Paryadi "Regulatory Development of Consumer Protection of E-commerce Transactions in Indonesia and ASEAN Countries. ERA OF LAW NO.2/ TH.16/ OCTOBER 2016.: p 308
touch the entirety of the e-commerce business process, both aspects of communication resources and information technology infrastructure used as well as aspects of trade governance, so that there are no overlapping interdepartmental rules.

CONCLUSION
The results showed that:

a. The content of e-commerce regulations in Indonesia regulated in Law No. 11 of 2008 contains (a) Principles and objectives; (b) Information, documents and electronic signatures. In this case, electronic signatures are recognized as having the same legal force as conventional signatures (wet and materied ink); (c) Electronic Certification Providers and Electronic Systems; (d) Electronic evidence recognized as having the same legal force as other evidence recognized in the Code of Criminal Procedure; (e) Electronic Transactions (e-commerce); (f) Regulation of domain names, Intellectual Property Rights and protection of personal rights; (g) Prohibited acts; (h) Dispute resolution; (i) The role of government and the role of society; (j) Investigation; and (k) Criminal provisions. Meanwhile, Singapore's policy stipulated in the Electronic Transaction Act 1998 (ETA 1998) contains: a. electronic records and general signatures; b. obligations of network service providers; c. electronic contracts; d. secure electronic records and signatures; e. the effect of digital signatures; f. general duties relating to digital signatures; g. duties of certification authorities; h. customer duties; i. certification authority regulations; j. the government uses electronic records and signatures of general provisions (criminal provisions).

b. The era of global trade requires the support of the Digital Economy which is reflected in the birth of electronic trading activities, in various forms of activities such as: retail trade, auction of goods, service offerings, and so on. As a consequence, traditional stores were replaced by electronic stores known as: Cyberstore, Virtual Store, Digital Market, Electronic Mall, Online Shop and so on. The growth of the digital economy certainly has a positive and negative impact on global economic life that no longer knows the territorial boundaries of a country

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