



A Comparative Study of E Commerce Legal Frameworks: Indonesia's Position Amid the ASEAN Regulatory Landscape

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ABSTRACT

This study presents a comparative legal analysis regarding Indonesia's e-commerce regulatory framework in the context of the Association of Southeast Asian Nations (ASEAN), by comparing it against Singapore, Malaysia, Thailand, and Vietnam. Using the legal comparative analysis method, this study assesses Indonesia's strategic position by examining the main pillars: electronic transaction validity, consumer protection, data privacy, platform responsibility, and online dispute resolution (ODR). The main findings suggest the existence of a significant gap between Indonesia's existing legal foundations – such as the ITE Law, the Consumer Protection Law, and the Personal Data Protection Law – with the demands of modern digital markets. The identified strategic weaknesses include outdated consumer protection legislation that is not specific to the digital era, legal ambiguity regarding platform liability due to the absence of a clear safe harbor regime, and an “access to justice gap” as a result of consumer dispute resolution mechanisms (CDSRs) that are still conventional and physically based. This report concludes that legal and institutional modernization is crucial to Indonesia's competitiveness. Key recommendations include the issuance of government regulations specific to e-commerce consumer protection, the establishment of a clear safe harbor regime, and the fundamental digitization of BPSK through a national ODR platform

INTRODUCTION

The digital economy has become a major driver of regional growth and integration in Southeast Asia. This vision is encapsulated in the Blueprint of the ASEAN Economic Community (MEA) 2025, which outlines the vital role of e-commerce in lowering barriers to entry and operating costs for the business world, especially Small and Medium Enterprises (SMEs) (ASEAN, 2017). Despite these clear regional ambitions, the reality on the ground suggests the existence of significant fragmentation that hinders the realization of a single digital market, especially within the varying legal frameworks of each member state (UNCTAD, 2013 ; Wahyudiono & Husna, 2023).

ASEAN's approach in addressing this challenge is essentially driven by soft law instruments such as frameworks and guidelines that are non-binding in nature (UNCTAD, 2013; ASEAN, 2018; ASEAN, 2022). Consequently, the national legal framework becomes the main determinant of a country's competitiveness. In response, ASEAN has developed several guides, including the ASEAN Framework on Digital Data Governance (ASEAN, 2018) and the ASEAN Guidelines on Consumer Protection in E-Commerce (ASEAN, 2022). These guides serve as a yardstick for member states, including Indonesia, to modernize their domestic laws. This study aims to assess Indonesia's legal position in the ASEAN e-commerce ecosystem through a systematic legal comparative analysis.

LITERATURE REVIEW

Indonesia's e-commerce regulation has evolved significantly over the past decade. The key legal instruments include:

- Law No. 11 of 2008 on Electronic Information and Transactions (ITE Law), amended by Law No. 19 of 2016 and further updated in 2020.
- Government Regulation No. 80 of 2019 on Trading Through Electronic Systems (PP 80/2019).
- Minister of Trade Regulation No. 50 of 2020, which sets specific requirements for local and foreign e-commerce platforms.

Riyanto and Wahyudi (2021) emphasize Indonesia's focus on consumer protection, data sovereignty, and local content requirements. However, Setiadi (2022) criticizes the overlapping and sometimes inconsistent regulatory provisions between different ministries, which can create confusion for businesses and deter foreign investment.

METHODOLOGY

This study used the method of legal comparative analysis (comparative legal study). This approach involved the collection and comparison of primary legal documents from Indonesia, Singapore, Malaysia, Thailand, and Vietnam, covering electronic transaction laws, consumer protection, and personal data protection. In addition, the study also analyzed secondary documents such as the ASEAN framework and reports from international institutions. Through this systematic comparison, the study identifies the strengths, weaknesses, and strategic positions of the Indonesian legal framework in the regional context.

RESULTS AND DISCUSSION

1. Validity of Digital Transactions

The legal certainty of electronic transactions is the foundation of e-commerce. All the countries analyzed have laid the legal basis for this, however with different approaches.

Indonesia relies on Law No. 11 of 2008 on Information and Electronic Transactions (ITE Act), which provides broad legal recognition to electronic documents and signatures as valid evidentiary tools (Act on Information and Electronic Transactions, 2008; Fikri et al., 2023). Singapore with the Electronic Transactions Act 2010 (ETA) and Malaysia with the Electronic Commerce Act 2006 (ECA) also provide clear legal recognition and are in line with international principles (Electronic Transactions Act 2010; Electronic Commerce Act 2006). Thailand through the Electronic Transactions Act (ETA) is also aligning its legal framework with international standards (Wahyudiono & Husna, 2023).

Significant differences appear on Vietnam with the new Law on E-Transactions (2023). These laws indicate a shift towards more control, for example by requiring foreign electronic signature certification service providers to have a representative office in Vietnam in order for their services to be recognized (Baker McKenzie, 2024). This move, while it may improve security, has the potential to become a barrier to entry for international technology providers.

Table 1. Comparative Review of Electronic Transactions Law

Fitur	Indonesia (UU ITE 2008/2016)	Singapura (ETA 2010)	Malaysia (ECA 2006)	Thailand (ETA)	Vietnam (UU 2023)
Legal Recognition of E-Contracts	Yes, Electronic Information/Documents are recognized as a legitimate means of evidence (ITE Act, 2008).	Yes, it is explicitly recognized (Electronic Transactions Act 2010).	Yes, it is explicitly recognized (Electronic Commerce Act 2006).	Yes, data messages are acknowledged.	Yes, explicitly acknowledged (Law on E-Transactions, 2023).
Legal Status of Electronic Signatures	It is recognized if it meets certain security requirements (ITE Act, 2008).	Admittedly, with provision for "secure electronic signature" (ETA 2010).	It is recognized if it meets the reliability criteria (ECA 2006).	It is recognized if it can identify the signer and indicate approval (Rouse, 2024).	Recognized, classified based on the purpose of use (specific, public) (Law on E-Transactions, 2023).
Key Exceptions	A letter which by law must be made in writing;	Wills, power of attorney, certain	Power of Attorney, Will, Trust,	It is not specifically mentioned in the	There are no explicit exemptions within the

	notary/PPAT act (UU ITE, 2008).	real estate contracts (Kiizen, 2024).	Negotiable Instrument (ECA 2006).	analyzed sources.	scope of the new Act (Baker McKenzie, 2024).
Adoption of the UNCITRAL Model	The principles are generally adopted.	Yes, explicitly adopting the UNCITRAL Model Law (ETA 2010).	The principles are generally adopted.	Aims to align with international standards (Wahyudiono & Husna, 2023).	Not explicitly mentioned, but the general principle is similar.
Foreign Signature Recognition	It is recognized if using an electronic system from PSrE certified in Indonesia.	Recognized on the basis of general principles.	It is recognized if it meets the same reliability criteria.	Recognized based on general principles.	Strict requirements, including the requirement for service providers to have a representative office in Vietnam (Baker McKenzie, 2024).

2. Consumer Safety Net

Consumer protection is a fundamental pillar for building trust. Indonesia still relies on Law No. 8 of 1999 on Consumer Protection (UU PK), a general pre-e-commerce legislative product (UU on Consumer Protection, 1999). Its main weakness is the lack of specificity to address the unique issues in modern e-commerce (Atlantis Press, n.d.). In contrast, other countries have moved forward. Singapore with its Consumer Protection (Fair Trading) Act (CPFTA) has a strong "lemon law" provision, giving consumers the right to request repair, replacement, or refund for defective goods (Consumer Protection (Fair Trading) Act; Nottage & Gamage, 2020). Malaysia has issued the Consumer Protection (Electronic Trade Transactions) Regulations 2024, which explicitly targets online sellers and marketplace operators (Kiizen, 2024). Vietnam with its Law on Protection of Consumer Rights (2023) is even more modern, with specific chapters regulating distance transactions and the responsibilities of digital platforms (Law on Protection of Consumer Rights, 2023).

This trend shows that Indonesia is lagging behind because it still relies on the interpretation of general laws that are more than two decades old (Najati & Mashdurohatun, 2023).

Table 2. Comparative Framework of Consumer Protection in E-Commerce

Fitur	Indonesia (UU PK 1999)	Singapura (CPFTA)	Malaysia (CPA 1999 & Regs)	Thailand (CPA)	Vietnam (UU 2023)
Specific E-Commerce Regulations	None, relying on general interpretation of the Act (Atlantis Press, n.d.).	None, but CPFTA is broadly interpreted to cover e-commerce.	Yes, Consumer Protection (Electronic Trade Transactions) Regulations (Kiizen, 2024; Atlantis Press, n.d.).	None, relies on general law interpretation.	Yes, special chapter on distance transactions and digital platforms (Law on Protection of Consumer Rights, 2023).
Definition of "Unfair Practices"	Prohibited through a list of prohibited acts (e.g. misleading advertising) (UU PK, 1999).	Broadly defined + list of 20 specific practices (Consumer Protection (Fair Trading) Act).	Prohibited through general prohibitions (e.g. false representation) (Consumer Protection Act 1999).	Not explicitly defined, but prohibited through consumer rights.	Prohibited through a list of prohibited acts and unfair contract clauses (Law on Protection of Consumer Rights, 2023).
Right of Withdrawal / "Cooling-off" Period	Not generally regulated for e-commerce.	Regulated for direct sales and time-share contracts (5 days) (Consumer Protection (Fair Trading) Act).	Regulated for direct sales contracts (10 days).	Not generally regulated for e-commerce.	Regulated for door-to-door sales and at irregular locations (3 days) (Law on Protection of Consumer Rights, 2023).
"Lemon Law" or Equivalent	None. General damages based on breach of contract or	Yes, presumption of defect within first 6 months (Consumer	Yes, implied warranties of acceptable quality.	None.	Yes, liability for defective products and failure to provide

	latent defects.	Protection (Fair Trading) Act; Nottage & Gamage, 2020).			services (Law on Protection of Consumer Rights, 2023).
Specific Platform Obligations	Not explicitly regulated (Atlantis Press, n.d.).	Not explicitly regulated, depends on platform role.	Yes, marketplace operators are required to ensure seller compliance & provide a complaint channel (Rouse, 2024; Kiizen, 2024).	Not explicitly regulated.	Yes, broad liability for digital intermediary platforms, including large platforms (Law on Protection of Consumer Rights, 2023).

3. Data Privacy in the Digital Economy

Personal data protection has become a central issue, with regulatory trends in ASEAN heavily influenced by the EU GDPR. Indonesia has enacted Law No. 27 of 2022 on Personal Data Protection (PDP Law), a crucial step forward (Personal Data Protection Law, 2022). Singapore is a pioneer with its Personal Data Protection Act 2012 (PDPA), backed by strong enforcement. Malaysia and Thailand also have similar laws and are continually updating them to align with global standards (Financier Worldwide, 2019). Vietnam through Decree No. 13/2023/ND-CP has implemented very strict rules, including the requirement to submit a Data Processing Impact Assessment (DPIA) and a Cross-Border Transfer Impact Assessment (TIA) to authorities (DLA Piper, 2025). While there is convergence on high-level principles, implementation at the national level has created a “patchwork of compliance” (Financier Worldwide, 2019). For Indonesia, simply having a PDP Law is not enough; efficiency and clarity of implementation will determine its competitive position.

4. Platform Liability Conundrum

The legal liability of intermediary platforms is one of the most unharmonized areas in ASEAN. The most commonly adopted model globally is the “safe harbor” regime, where platforms are exempted from liability if they meet certain conditions, such as implementing a notice-and-takedown mechanism (Atlantis Press, n.d.).

The approach in ASEAN is highly fragmented (Rouse, 2024). In common law jurisdictions such as Singapore, liability is based on “knowledge,” with a clear safe harbor for copyright infringement but not for trademarks (Rouse, 2025). In civil law jurisdictions such as Indonesia, there is no specific regulation

governing platform liability, creating significant legal uncertainty (Atlantis Press, n.d.). In contrast, Vietnam has moved towards more explicit liability, where platforms can be held jointly liable (Rouse, 2024). The ambiguity of the law in Indonesia is a significant strategic weakness.

Table 3. Intermediary Liability Regimes in ASEAN

Country	Trademark Infringement Liability	Liability for Copyright Infringement	Third Party Liability for Defective Products
Indonesia	Ambiguity/Not explicitly regulated. Depends on interpretation of ITE Law and Trademark Law (Atlantis Press, n.d.).	Ambiguity/Not explicitly regulated. Potential for criminal liability under the Copyright Act (Atlantis Press, n.d.).	Ambiguity/Not explicitly regulated (Atlantis Press, n.d.).
Singapura	Common Law - Joint tortfeasor based on knowledge. No legal safe harbor (Rouse, 2025).	Conditional legal safe harbor under the Copyright Act for NSPs (Rouse, 2025).	Generally not liable, unless actively involved in the supply chain.
Malaysia	Common Law - Secondary liability based on knowledge (Rouse, 2024).	Conditional legal safe harbor under the Copyright Act.	Generally not liable, but new regulations increase platform liability (Rouse, 2024; Kiizen, 2024).
Thailand	No specific regulation, but theoretically can be held liable (Rouse, 2024).	Conditional legal safe harbor under the Copyright Act.	Not explicitly regulated.
Vietnam	Legal obligation to cooperate and remove content; potential joint liability (Rouse, 2024).	Legal obligation to cooperate and remove content; potential for joint liability.	The Consumer Protection Act 2023 imposes liability on digital intermediary platforms (Law on Protection of Consumer Rights, 2023).

5. Access to Justice: Consumer Redress

Practical access to redress is critical. ASEAN has identified the development of the ASEAN Online Dispute Resolution (ODR) Network as a strategic objective.

Indonesia relies on the Consumer Dispute Resolution Agency (BPSK), which offers mediation or arbitration (Fikri et al., 2023). However, its fundamental weakness is its conventional, brick-and-mortar nature, creating an “access to justice gap” for e-commerce consumers.

Singapore offers a stark contrast through its Small Claims Tribunals (SCT), whose processes are highly digitized through the Community Justice and Tribunals System (CJTS). Consumers can file claims, upload evidence, and even mediate online (Judiciary of Singapore, 2025). This digital-first approach makes SCTs highly effective. The gap between Indonesia's analogue dispute resolution infrastructure and its advanced digital economy fundamentally undermines the effectiveness of consumer protection.

Table 4. Comparative Review of Consumer Dispute Resolution Agencies

Features	Indonesia (BPSK)	Singapura (SCT)	Malaysia (TTPM)
Regulating Body	Consumer Dispute Resolution Agency	Small Claims Tribunals	Tribunal for Consumer Claims
Claim Limits	There is no maximum limit explicitly set in the Consumer Dispute Resolution Law.	S20,000 (up to S30,000 by mutual consent) (Judiciary of Singapore, 2025).	RM 50,000.
Online Filing Available?	No, the process is conventional and physical (Kiizen, 2024).	Yes, through the Community Justice and Tribunals System (CJTS) platform (Judiciary of Singapore, 2025).	Yes, online filing is available.
Typical Costs for Consumers	Free.	Filing fees start from S\$10, depending on the value of the claim (Judiciary of Singapore, 2025).	Nominal filing fee (RM 10).
Average Settlement Time	Target 21 working days.	Most cases are resolved within 4 months (Judiciary of Singapore, 2025).	Most cases are resolved within 60 working days.
Nature of Judgment	Final and binding (for arbitration).	Binding and enforceable like a court judgment (Judiciary of Singapore, 2025).	Binding and enforceable.
Suitability for Cross-Border E-Commerce	Very Low. Physical processes and location-based jurisdiction make it impractical.	High. Online and efficient processes make it more convenient, although jurisdiction remains a challenge.	Moderate. Online processes help, but cross-border effectiveness is still limited.

6. Managing the Algorithms: AI and the Gig Economy

The emergence of AI-driven platforms, especially in e-commerce and the gig economy, has created new regulatory challenges. Practices such as dynamic pricing by e-commerce platforms open the door to potential non-transparent price discrimination. In the gig economy, platforms such as Gojek and Grab often classify drivers as "partners" rather than "employees," thereby absolving the platforms of traditional labor law obligations (Modern Diplomacy, 2025). At the same time, platforms use algorithms to manage their "partners" with a high

degree of control without transparency (Modern Diplomacy, 2025). Existing legal frameworks across ASEAN, including Indonesia, are not designed to address this hybrid work model, creating significant social and economic risks.

CONCLUSIONS AND RECOMMENDATIONS

Indonesia's e-commerce legal framework has a strong foundation through the ITE Law, PK Law, and PDP Law. However, there are significant strategic weaknesses: a "legislative modernity gap" where existing laws are generic and outdated; "critical ambiguity in platform liability" due to the absence of a safe harbor regime; and the "access to justice gap" due to the analogous nature of the BPSK mechanism. Strategic Recommendations:

1. Legislative Reform: Issue a specific Government Regulation (PP) on Consumer Protection in E-Commerce to address modern issues such as dark patterns and drip pricing (ASEAN, 2022). Also, clarify intermediary responsibilities with a clear safe harbor regime (Rouse, 2025).
2. Institutional Strengthening: Modernize the BPSK through an integrated national ODR platform, modeled after Singapore's CJTS (Judiciary of Singapore, 2025).
3. Regional Strategy: Proactively engage in ASEAN forums to influence the formation of balanced regional standards.

By implementing this reform agenda, Indonesia can address its domestic weaknesses, enhance its competitiveness, and solidify its role in the future of ASEAN's digital economy.

FURTHER STUDY

Future research can focus on several key areas to deepen understanding and support further policy reform. First, an empirical study on the implementation of the Personal Data Protection Law (PDP Law) in Indonesia is urgently needed to evaluate its effectiveness in protecting e-commerce consumers and identify the challenges of law enforcement in the field. Second, an in-depth study on the legal status of gig economy workers in Indonesia and other ASEAN countries can provide a basis for developing a fair regulatory framework that protects workers' rights. Third, a quantitative analysis comparing the cost and time effectiveness of BPSK in Indonesia with ODR platforms in other ASEAN countries can provide strong evidence to encourage the digitalization of dispute resolution. Finally, a study on the impact of the use of AI in pricing and advertising personalization on consumer behavior can help formulate more specific regulations to prevent manipulative practices.

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