

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 80 OF 2019
ON
TRADING THROUGH ELECTRONIC SYSTEMS¹

BY THE GRACE OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

that in order to implement provisions under Article 66 of Law [Number 7 of 2014](#) on Trading, it is deemed necessary to establish Regulation of the Government on Trading Through Electronic Systems;

In view of:

1. Article 5 paragraph (2) of 1945 Constitution of the Republic of Indonesia;
2. Law [Number 7 of 2014](#) on Trading (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to the State Gazette of the Republic of Indonesia Number 5512);

HAS DECIDED:

To establish:

REGULATION OF THE GOVERNMENT ON TRADING THROUGH ELECTRONIC SYSTEMS.

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CHAPTER 1 GENERAL PROVISIONS

Article 1

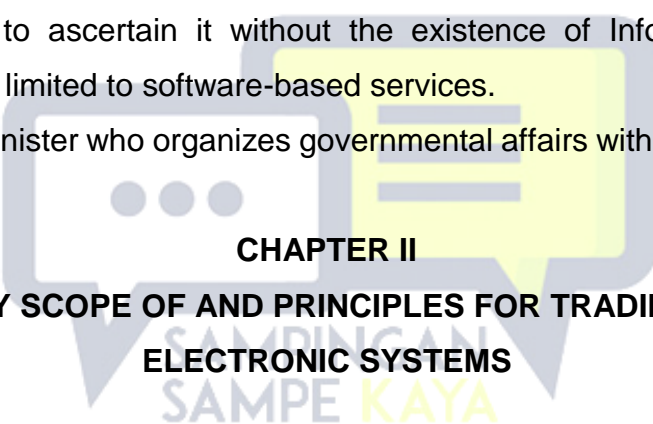
Under this Regulation of the Government, the following definitions are employed:

1. Trading is an order of activities relating to transactions of Goods and/or Services domestically and beyond state borders with the purpose of transferring the right over Goods and/or Services in order to obtain reward or compensation.
2. Trading Through Electronic Systems [*Perdagangan Melalui Sistem Elektronik*], hereinafter abbreviated PMSE, is Trading, of which, its transactions are performed through a set of electronic devices and procedures.
3. Electronic System is a set of electronic devices and procedures functioning to prepare, collect, process, analyze, store, display, publish, send, and/or disseminate electronic information.
4. Electronic Contract is agreement of the parties which is made through Electronic System.
5. Electronic Communication is every communication that is used within PMSE in the forms of statement, declaration, request, notification or application, confirmation, offer or acceptance to offer, which contains consent of the parties to make or perform an agreement.
6. Businesses of Trading Through Electronic Systems, hereinafter referred to as Businesses, are every natural persons or enterprises taking form as incorporated or unincorporated entities, which may take form as Domestic Businesses and Foreign Businesses and perform business activities within PMSE sector.
7. Domestic Businesses are Indonesian citizens or enterprises which are established and domiciled within the jurisdiction of the Unitary State of the Republic of Indonesia, which operate business activities within PMSE sector.
8. Businesses which are domiciled Overseas, hereinafter referred to as Foreign Businesses, are foreign citizens or enterprises which are established and domiciled outside the jurisdiction of the Unitary State of the Republic Indonesia, which operate

business activities within PMSE sector within the jurisdiction of the Republic of Indonesia.

9. Individuals are natural persons who sell Goods and/or Services temporary and bear no commercial purpose.
10. Merchant (*pedagang*) is Businesses who perform PMSE, either using means which are developed and managed by itself directly or through means as owned by PPMSE, or other Electronic Systems which provide PMSE means.
11. Operators of Trading Through Electronic Systems [*Penyelenggara Perdagangan Melalui Sistem Elektronik*], hereinafter abbreviated as PPMSE, are Businesses as providers of Electronic Communication means as used for Trading transactions.
12. Operators of Intermediary Services (*sarana perantara*) are Domestic Businesses or Foreign Businesses which provide Electronic Communication means other than telecommunication providers, which only function as intermediary in Electronic Communication between sender and receiver.
13. Digital Advertisement is information for commercial purposes of Goods and/or Services through Electronic Communication, which is contained and disseminated to certain parties, either performed using paid-basis or non-paid-basis.
14. Electronic Offer is an act of offering through Electronic Communication from Businesses to other parties.
15. Electronic Acceptance is an act of accepting and statement of agreement in conscious manner on prerequisites and conditions which are presented in Electronic Offer, either performed online (*terhubung dalam jaringan*) or performed offline (*terpisah di luar jaringan*).
16. Electronic Confirmation is process and granting of opportunity for purchaser or user to consciously give emphasis to agree or disagree to an Electronic Contract in accordance with technical mechanism and substances of prerequisites and conditions in Electronic Offer, before an Electronic Contract is legally declared to be exist.
17. Customers are anyone who consumes Goods and/or Services which are available in the public, either for its own interests, family, other persons, or other living beings and not for trade.

18. Goods are every object, both tangible and intangible, both movable and immovable, both consumable and not consumable, and may be traded, worn, used, or utilized by Customer or Businesses.
19. Digital Goods are every intangible goods taking form as electronic or digital information, encompassing goods which are the output of conversion or transformation and goods which are originally in electronic form, including but not limited to software, multimedia, and/or electronic data.
20. Services are every services and the showcasing of work in the forms of job or output of work that is achieved, which is traded by one party to another in the society to be utilized by Customers or Businesses.
21. Digital Services are Services which are delivered through the internet or electronic network, automatically in nature or only involving a low-level of human's involvement, and impossible to ascertain it without the existence of Information technology, including but not limited to software-based services.
22. Minister is the minister who organizes governmental affairs within the Trading sector.



CHAPTER II
REGULATORY SCOPE OF AND PRINCIPLES FOR TRADING THROUGH
ELECTRONIC SYSTEMS

Article 2

Regulatory scope of Trading Through Electronic Systems encompasses:

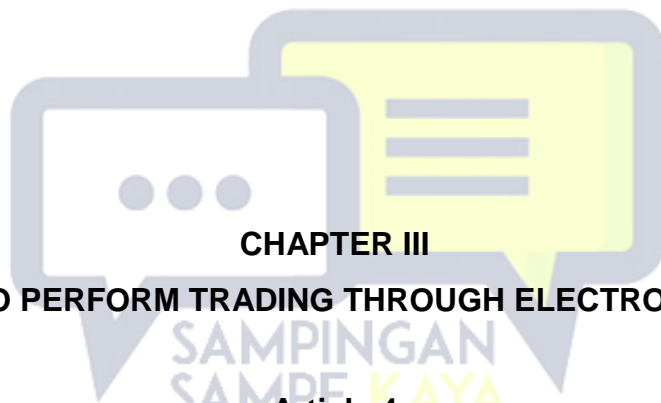
- a. parties who perform PMSE;
- b. prerequisites for PMSE;
- c. operation of PMSE;
- d. obligations of Businesses;
- e. receipt for PMSE transactions;
- f. Digital Advertisement;
- g. Electronic Offer, Electronic Acceptance, and Electronic Confirmation;
- h. Electronic Contract;
- i. protection of personal data;

- j. payment within PMSE;
- k. shipping of Goods and Services within PMSE;
- l. exchange of Goods or Services and purchase cancellation within PMSE;
- m. dispute resolution within PMSE; and
- n. development and supervision.

Article 3

In the course of performing PMSE, the parties should give regard to the principles of:

- a. good faith;
- b. precautionary;
- c. transparency;
- d. trustworthiness;
- e. accountability;
- f. balance; and
- g. fair and sound.



PARTIES WHO PERFORM TRADING THROUGH ELECTRONIC SYSTEMS

Article 4

- (1) PMSE may be performed by Businesses, Customers, Individuals, and state organizing institutions in accordance with provisions under laws and regulations, hereinafter referred to as the parties.
- (2) PMSE is a private legal relationship which may be performed between:
 - a. Businesses-to-Businesses;
 - b. Businesses-to-Customers;
 - c. Individuals-to-Individuals, in accordance with provisions under laws and regulations; and
 - d. state organizing institutions with Businesses, in accordance with provisions under laws and regulations.

Article 5

Businesses within PMSE encompass:

- a. Domestic Businesses, encompassing:
 1. domestic Merchants;
 2. domestic PPMSE; and
 3. domestic Operators of Intermediary Services;
- b. Foreign Businesses, encompassing:
 1. foreign Merchants;
 2. foreign PPMSE; and
 3. foreign Operators of Intermediary Services.

Article 6

Domestic Businesses taking form as:

- a. domestic Merchants in the form of natural persons or enterprises.
- b. domestic PPMSE in the form of natural persons, enterprises, the public or state organizing institutions.
- c. domestic Operators of Intermediary Services in the form of natural persons or enterprises.

Article 7

- (1) Foreign Businesses who actively perform offers and/or perform PMSE toward Customers who are domiciled within the jurisdiction of the Unitary State of the Republic of Indonesia, which meet certain criteria, are considered to fulfill the physical existence in Indonesia and operate permanent business activities within the jurisdiction of the Unitary State of the Republic of Indonesia.
- (2) Certain criteria as referred to in paragraph (1) may be in the forms of:
 - a. number of transactions;
 - b. value of transactions;
 - c. number of shipping packages; and/or
 - d. number of traffic or accessors.

- (3) Foreign PPMSE who meet criteria as referred to in paragraph (2) must appoint representative which is domiciled within the jurisdiction of the Unitary State of the Republic of Indonesia, which may act as and on behalf of Businesses in question.
- (4) Provisions for the appointment of representative are implemented in accordance with provisions under laws and regulations.
- (5) Further provisions on certain criteria as referred to in paragraph (1) are addressed under Regulation of the Minister.

Article 8

Against business activities of PMSE, taxation provisions and mechanisms in accordance with provisions under laws and regulations should prevail.

CHAPTER IV

PREREQUISITES FOR TRADING THROUGH ELECTRONIC SYSTEMS

Article 9

- (1) The parties to PMSE should own, put out, or submit clear identity of legal subject.
- (2) Every PMSE which is cross-border in nature must meet provisions under laws and regulations addressing exports or imports and laws and regulations within the sector of electronic information and transaction.

Article 10

- (1) Parties who perform PMSE of Goods and/or Services affecting to national security vulnerability should obtain security clearance from authorized institutions.
- (2) Types of Goods and/or Services as referred to in paragraph (1) are in accordance with provisions under laws and regulations.
- (3) Procedures for obtaining security clearance are performed in accordance with provisions under laws and regulations.

Article 11

Every Businesses who performs PMSE must meet general prerequisites in accordance with provisions under laws and regulations.

Article 12

- (1) In the course of performing PMSE, Businesses must assist Governmental programs, *inter alia*:
 - a. prioritizing trading of Goods and/or Services as produced domestically;
 - b. increase the competitiveness of Goods and/or Services as produced domestically; and
 - c. domestic PPMSE must provide promotional-space facilities for Goods and/or Services as produced domestically.
- (2) Further provisions as referred to in paragraph (1) are addressed under Regulation of the Minister.

Article 13

- (1) Within every PMSE, Businesses must:
 - a. provide information which is true, clear, and truthful on identity of legal subject, which is supported with valid data or documents;
 - b. submit information which is true, clear, and truthful on conditions and guarantees of traded Goods and/or Services, including Electronic Systems which are used in accordance with the functional characteristics and its roles in such transaction; and
 - c. meet provisions on advertisement ethics in accordance with provisions under laws and regulations.
- (2) Information which is true, clear, and truthful as referred to in paragraph (1) letter a and letter b at least covers [*sic*] on:
 - a. veracity and accuracy of information;
 - b. conformity between advertisement's information and the physical information of the Goods;
 - c. appropriate consumption of Goods or Services;

- d. legality of Goods or Services; and
- e. quality, price, and accessibility of Goods or Services.

Article 14

Domestic PPMSE and/or foreign PPMSE must use Electronic Systems which possess feasibility certificate [*sertifikat kelaikan*] of Electronic Systems in accordance with provisions under laws and regulations.

CHAPTER V

OPERATION OF TRADING THROUGH ELECTRONIC SYSTEMS

Article 15

- (1) Businesses must possess business license in the course of operating PMSE business activities.
- (2) Operators of Intermediary Services are exempted from the obligation of possessing business license as referred to in paragraph (1) if:
 - a. they are not direct beneficiaries (*pihak yang mendapatkan manfaat*) of the transactions; or
 - b. they are not directly involved within contractual relationship of the parties who perform PMSE.
- (3) In the event of granting facilities for Businesses to possess business license as referred to in paragraph (1), application of business license is performed through Electronically-Integrated Business Licensing in accordance with provisions under laws and regulations.
- (4) Further provisions on Electronically-Integrated Business Licensing as referred to in paragraph (3) for PPMSE should follow norms, standards, procedures, and criteria as addressed under Regulation of the Minister.

Article 16

- (1) In the course of performing PMSE, domestic Merchants use the means of:
 - a. PMSE as own by themselves;
 - b. domestic PPMSE; and/or
 - c. foreign PPMSE.
- (2) In the course of performing PMSE with Customers who are domiciled in Indonesia, foreign Merchants use the means of:
 - a. PMSE as own by themselves;
 - b. domestic PPMSE; and/or
 - c. foreign PPMSE.

Article 17

- (1) Domestic PPMSE and/or foreign PPMSE are prohibited from accepting domestic Merchants and foreign Merchants who fail to meet prerequisites and provisions as addressed under laws and regulations of Indonesia.
- (2) Domestic PPMSE and/or foreign PPMSE who make transactions with Customers must meet provisions under laws and regulations of Indonesia.

Article 18

- (1) In case PMSE cause losses for Customers, Customers may report suffered losses to the Minister.
- (2) Businesses who are reported by Customers who suffer losses should settle the reporting as referred to in paragraph (1).
- (3) Businesses who fail to settle the reporting as referred to in paragraph (2) are included in the priority supervisory list by the Minister.
- (4) Priority supervisory list as referred to in paragraph (3) is accessible by the public.
- (5) Further provisions on priority supervisory list are addressed under Regulation of the Minister.

Article 19

Minister may make efforts to exclude Businesses from priority supervisory list if:

- a. there is a report on Customers' satisfaction;
- b. there is an evidence on the existence of implementation of appropriate Customer protection; or
- c. Businesses have met prerequisites and provisions as addressed under laws and regulations.

CHAPTER VI

OBLIGATIONS OF BUSINESSES OF TRADING THROUGH ELECTRONIC SYSTEMS

Article 20

Domestic Merchants and foreign Merchants who perform PMSE using means as owned by domestic PPMSE and/or foreign PPMSE must meet prerequisites and provisions of PPMSE in accordance with agreed service quality standards and provisions under laws and regulations.

Article 21

- (1) Domestic PPMSE and/or foreign PPMSE must:
 - a. prioritize the use of Indonesian top-level domain names (dot id) for Electronic Systems taking form as internet sites;
 - b. prioritize the use of IP Address (*alamat Protokol Internet*) in accordance with provisions under laws and regulations;
 - c. use server devices which are placed at data centers in accordance with provisions under laws and regulations;
 - d. perform registration of Electronic Systems in accordance with provisions under laws and regulations;
 - e. meet provisions on technical requirements as established by related institutions and obtain Reliability Certificates in accordance with provisions under laws and regulations;

- f. periodically submit data and/or information to governmental agency which organizes governmental affairs within statistic sector; and
 - g. comply with provisions under other sectoral laws and regulations relating to the licensing of PMSE business activities.
- (2) In the course of performing collection and management of data and/or information as referred to in paragraph (1) letter f, governmental agency which organizes governmental affairs within statistic sector enters into cooperation with ministries/non-ministerial governmental agencies, and/or related authorities in accordance with provisions under laws and regulations.
- (3) Governmental agency which organizes governmental affairs within statistic sector performs various data and/or information sharing as referred to in paragraph (2) with ministries/non-ministerial governmental agencies, related authorities, and/or regional governments by following provisions on data and/or information sharing mechanisms.
- (4) Further provisions on the submission of data and/or information as referred to in paragraph (1) letter f, collection and management of data and/or information as referred to in paragraph (2), as well as data and/or information sharing mechanisms as referred to in paragraph (3), are addressed under regulation of the head of governmental agency which organizes governmental affairs within statistic sector.

Article 22

- (1) If within PMSE, there is illegal electronic information content, then domestic PPMSE and/or foreign PPMSE, as well as Operators of Intermediary Services are held liable for legal effects and consequences as a result from the existence of such illegal electronic information content.
- (2) Provisions as referred to in paragraph (1) do not prevail if domestic PPMSE and/or foreign PPMSE in question act fast to delete electronic links and/or illegal electronic information content after having knowledge or awareness.
- (3) Provisions as referred to in paragraph (1) are exempted against Operators of Intermediary Services which:

- a. within the context of work, acting as the party who only forwards the searching of an information (mere conduit), namely:
 1. does not initiate a transmission;
 2. does not perform selection of acceptance; and
 3. does not perform modification of transmitted information.
- b. within the context of work, acting as the party who merely performs storage of information for a certain period of time temporary for the sole purpose of making efficient of the communication (caching), namely:
 1. does not perform any modification to such information;
 2. comply with prerequisites and provisions to access such information;
 3. comply with regulation on updating information in accordance with broad provisions as acknowledged and used by the industry;
 4. does not interrupt the unlawful utilization of technology, which is broadly acknowledged and used by the industry to obtain data on the utilization of such information; and
 5. act fast to delete or deactivate access to information which has been stored after having actual knowledge on facts that the information at the initial source of such transmission has been deleted from the network, or access to it has been deactivated, or that the court or authorized party has ordered the deletion or deactivation.
- c. within the context of work, acting as the party who provides space to perform placement, uploading, or storage of information (hosting), namely:
 1. does not have actual knowledge on an unlawful act or information and in the event that there is charge or claim of incurred damage or losses, providers in question do not aware or know that there is a fact that such act or information is unlawful in nature; or
 2. after providers in question know or aware that there is a fact that such act or information is unlawful in nature, Operators of Intermediary Services act fast to delete or deactivate access to such information.
- d. within the context of work as information and network providing, seeking [*pencari*], and searching [*penelusur*] engine (searching engine).

- (4) Operators of Intermediary Services who provide interactive computer services are not held liable and cannot be charged or claimed against their acts in limiting or removing access to a content if:
- a. such act is a voluntary act which is performed based on good faith to limit access or availability of material, of which, according to users or providers, are included within the scope of illegal electronic information content, without needing to perform testing on its protection from legal perspective; or
 - b. such act is performed to limit public access, deactivating, or making it unavailable to be accessed, either by providers of such information content upon self-analysis, or other parties.

Article 23

In order to prevent or respond to the existence of illegal electronic information content, domestic PPMSE and/or foreign PPMSE must:

- a. present use terms or license agreement to their users to perform utilization in accordance with provisions under laws and regulations; and
- b. provide technology control means and/or means for receiving public reports or complaints against the existence of illegal electronic information content, or misuse of space on Electronic Systems under its management, in accordance with provisions under laws and regulations.

Article 24

- (1) Domestic PPMSE and/or foreign PPMSE must maintain Electronic Systems which are secure, reliable, and responsible and build trusts against systems as organized by them, to the public.
- (2) Domestic PPMSE and/or foreign PPMSE must provide security of Electronic Systems which encompass preventive and mitigation procedures and systems against threats and attacks which cause interruptions, failures, and losses.
- (3) Security of Electronic Systems may encompass security from the aspect of computer system of domestic PPMSE and/or foreign PPMSE, and from the aspect of communication channel that is used and operated by other parties.

Article 25

- (1) Domestic PPMSE and/or foreign PPMSE must store:
 - a. data and information within PMSE in relation to financial transactions, within a period of no shorter than 10 (ten) years since the data and information were obtained; and
 - b. data and information within PMSE which are not related to financial transactions, within a period of no shorter than 5 (five) years since the data and information were obtained.
- (2) Data and information as referred to in paragraph (1) letter b, at least covers matters [sic] on:
 - a. customers;
 - b. Electronic Offer and Electronic Acceptance;
 - c. Electronic Confirmation;
 - d. payment confirmation;
 - e. shipping status of Goods;
 - f. Trading complaints and disputes;
 - g. Electronic Contract; and
 - h. types of traded Goods and/or Services.

Article 26

Businesses must:

- a. protect Customers' rights in accordance with provisions under laws and regulations within the sector of Customer protection; and
- b. comply with provisions under laws and regulations within the sector of antitrust.

Article 27

- (1) Businesses must provide complaint services for Customers.
- (2) Complaint services as referred to in paragraph (1) at least encompass:
 - a. address and contact number for complaint;
 - b. complaint procedures for Customers;
 - c. follow-up mechanisms for complaint;

- d. competent officers for processing complaint services; and
- e. time period for the settlement of complaint.

CHAPTER VII

RECEIPT FOR TRADING THROUGH ELECTRONIC SYSTEMS TRANSACTIONS

Article 28

- (1) Domestic PPMSE and/or foreign PPMSE must provide and store receipt for valid PMSE transactions.
- (2) Receipt for PMSE transactions as referred to in paragraph (1) should be valid evidence and bind the parties in accordance with provisions under laws and regulations.
- (3) Receipt for PMSE transactions is declared valid if using Electronic Systems in accordance with provisions as addressed under laws and regulations within the sector of electronic information and transaction.
- (4) Provisions as referred to in paragraph (2) do not prevail for:
 - a. receipt for PMSE transactions, of which, according to the Law should be made in writing; and
 - b. receipt for PMSE transactions, of which, according to the Law should be made in notarial deed or deed as made by deed-making official [*pejabat pembuat akta*].

Article 29

- (1) Receipt for PMSE transactions may be deemed as other evidence according to procedural law and its presentation as an evidence before the proceeding cannot be rejected only on the basis of its electronic form.
- (2) Receipt for PMSE transactions may be deemed as authentic written evidence if using digital signature that is supported with a trusted digital certificate in accordance with provisions under laws and regulations.

Article 30

- (1) In case laws and regulations with lower hierarchy [*sic*] than the Law require that an agreement should be made in writing on paper media, then such prerequisite is considered to be met with the existence of receipt for PMSE transaction, provided that such receipt for PMSE transaction may be stored, accessed and redisplayed for further use, so that its substance validly describes a circumstance or a certain legal event.
- (2) In case laws and regulations with lower hierarchy [*sic*] than the Law require that an agreement should be stored in its original or authentic form with a writing on paper media as its basis, then such requirement is considered to be met with the existence of receipt for PMSE transaction, if:
 - a. there is a certain method or technique [*sic*] which may explain that such receipt for PMSE transaction is guaranteed of its entirety or integrity, since the first time such information was made up to its final form, or *vice versa*, so that what is stored with what is discovered or redisplayed may be guaranteed to be properly unchanged; or
 - b. there is a request for availability of such receipt for PMSE transaction to be redisplayed, then such receipt for PMSE transaction should be able to be redisplayed to such parties in accordance with technical agreement that has been agreed by the parties.
- (3) In cases laws and regulations with lower hierarchy [*sic*] than the Law require that an agreement must be affixed with a signature using wet ink in writing on the paper, then such prerequisite is considered to be met with the existence of receipt for PMSE transaction, if:
 - a. there is a method which may be used to identify identity of legal subject and indicate the existence of intention of agreement from the parties against transaction as performed by them through Electronic Communication system; and
 - b. method that is used as referred to in letter a at least should:

1. be trusted on its reliability in accordance with appropriateness in the context of its use, including agreements which are relevant with such matter; and
2. be proven factually, either with the existence of the method itself or with the conformity/relevancy of other related evidence.

Article 31

Receipt for PMSE transaction may be used to facilitate electronic transaction which is cross-border in nature, provided that it uses the system and authority of relevant institutions which have competence in accordance with provisions under laws and regulations.

CHAPTER VIII

DIGITAL ADVERTISEMENT

Article 32

- (1) Businesses may create and/or perform the presentation of Digital Advertisement for marketing or promotional purposes.
- (2) Digital Advertisement may take form as:
 - a. text;
 - b. sound;
 - c. image; or
 - d. video

that is created and disseminated to the public through various electronic media means and/or Electronic Communication channels.

Article 33

- (1) Digital Advertisement may be presented directly by domestic Merchants and/or foreign Merchants or through domestic PPMSE and/or foreign PPMSE means as third party which organizes Electronic Communication.
- (2) In the event that Digital Advertisement is presented through domestic PPMSE and/or foreign PPMSE means, domestic PPMSE and/or foreign PPMSE must comply with provisions under laws and regulations within the sectors of broadcasting, protection of privacy and personal data, Customer protection, and not be in contradictory with fair business competition principles.

Article 34

- (1) Substances or contents of Digital Advertisement are prohibited from being in contradictory with Customer rights and/or fair business competition principles in accordance with provisions under laws and regulations.
- (2) Businesses who violate provisions as referred to in paragraph (1) must cease such advertisement of Goods and/or Services.
- (3) Businesses who fail to cease advertisement of Goods and/or Services as referred to in paragraph (2), its offering and promotional activities are terminated by authorized institution.

Article 35

Any parties who create, provide means, and/or disseminate Digital Advertisement must ascertain that the substances and contents of presented Digital Advertisement are not in contradictory with provisions under laws and regulations and be held liable for substances or contents of Digital Advertisement.

Article 36

Further provisions on Digital Advertisement are addressed under Regulation of the Minister.

CHAPTER IX
ELECTRONIC OFFER, ELECTRONIC ACCEPTANCE, AND ELECTRONIC
CONFIRMATION

Article 37

Businesses, in the course of performing Electronic Offer to other parties, should be performed based on good faith.

Article 38

- (1) Electronic Offer within PMSE may be performed publicly or in limited manner.
- (2) Electronic Offer as referred to in paragraph (1) is performed in accordance with provisions under laws and regulations.

Article 39

- (1) Electronic Offer should contain the following information at minimum:
 - a. specification of Goods and/or Services;
 - b. offered price of Goods and/or Services;
 - c. prerequisites of the agreement;
 - d. payment mechanisms and systems, as well as payment deadline;
 - e. mechanisms and systems for the shipping of Good and/or Services;
 - f. unexpected risks and conditions; and
 - g. limitations on liability if the unexpected risks occur.
- (2) Electronic Offer is valid and having legally binding power if there is a clear and specific declaration of intention or will in the offer, as well as prerequisites and conditions, with offering methods which are truthful, just and fair (*berimbang*), and certain time limitations.
- (3) Parties who perform Electronic Offer should explain technical mechanisms and substances of prerequisites and conditions on the provision of electronic consent.
- (4) Businesses are still held liable against Electronic Offer which is contained within Electronic Systems, although failing to meet provisions as referred to in paragraph (2).

Article 40

Electronic Offer is declared to have been accepted if the receiving party has performed Electronic Acceptance against prerequisites and conditions which are presented in Electronic Offer.

Article 41

An Electronic Offer cannot be withdrawn, if against such offer, Electronic Acceptance by other parties has been performed, unless the cancellation of such Electronic Offer is also agreed by parties who receive the offer.

Article 42

In the event that Electronic Acceptance is unknown, unaccepted, or does not reach Electronic Systems of parties who give offer, due to unforeseeable electronic-system malfunction, then Electronic Acceptance is considered to not exist, unless such matter has been otherwise agreed by the parties.

Article 43

Electronic Offer of Goods and/or Services within PMSE may be performed through:

- a. registered letter;
- b. email;
- c. online site;
- d. electronic media; or
- e. other Electronic Communication channels.

Article 44

- (1) Agreement is considered to be made in valid and binding manners if the Electronic Acceptance has been in accordance with technical mechanisms and substances of prerequisites and conditions in Electronic Offer.
- (2) In the event that there is inconformity between Electronic Acceptance with Electronic Offer, then the parties are considered to not yet reach an agreement.

Article 45

- (1) In the course of giving response to Electronic Offer, the receiver of offer should be responsive and follow acceptance procedures as established in prerequisites and conditions in Electronic Offer.
- (2) In case the receiver of offer is irresponsive and does not follow acceptance procedures as referred to in paragraph (1), then Electronic Contract may be considered to never exist.
- (3) In case there is responsive negligence by Customers, then all forms of losses due to the inexistence of Electronic Contract become full liability of Customers.
- (4) Businesses who perform Electronic Offer should be responsive against Electronic Acceptance, and must fulfill Electronic Contract, in accordance with prerequisites and conditions in Electronic Offer.

Article 46

- (1) Electronic Acceptance from Customers must be responded by Businesses within a certain period of time.
- (2) Response as referred to in paragraph (1) should be performed in the forms of Electronic Confirmation and/or non-electronic confirmation which may be stored and used as receipt for agreement.
- (3) Electronic Confirmation may be performed through the activities of identifying, correcting or modifying the filled-out data or purchase order form, or giving statement after receiving sufficient information and/or clearly addressing the intention to purchase.
- (4) Contents of Electronic Confirmation should be the same with information in Electronic Offer.

Article 47

- (1) An Electronic Contract may be made from interaction output using an automated transaction device which is organized by Businesses.

- (2) The parties cannot deny the validity of Electronic Contract which is made automatically, unless it may be proven that such automated system does not operate properly.
- (3) In case Businesses use automatic translation software, any losses incurred due to the use of such automatic translation software should be the liability of Businesses.

Article 48

- (1) Domestic PPMSE and/or foreign PPMSE may use cryptography/coding [*persandian*] products within PMSE.
- (2) The use of every cryptography/coding products within security system should follow provisions under laws and regulations.

Article 49

- (1) Domestic PPMSE and/or foreign PPMSE may use certified digital signature which is proven with the possession of digital certificate.
- (2) In the course of using digital signature as referred to in paragraph (1), domestic PPMSE and/or foreign PPMSE may use digital certificate which is issued by rooted digital certification organizers by using root certification authority digital certificate that is issued by the Government.
- (3) Receipt for transactions which use certified digital signature through digital certificate that is issued by certified or rooted digital certification organizers may be considered as authentic written evidence.

CHAPTER X ELECTRONIC CONTRACT

Article 50

PMSE may use Electronic Contract mechanism or other contractual mechanisms as the manifestation of agreement of the parties.

Article 51

- (1) Electronic Contract may be in the form of sale-and-purchase agreement/obligation [*perikatan*] or license agreement/obligation.
- (2) License agreement/obligation as referred to in paragraph (1), covers *inter alia*:
 - a. license agreement/obligation of end-users;
 - b. license agreement/obligation on alteration, development, or modification;
 - c. public license agreement/obligation;
 - d. license agreement/obligation to share (creative common license);
 - e. agreement/obligation on the granting of relicensing to a party (relicensing).

Article 52

Electronic Contract is valid and binds the parties if:

- a. in accordance with prerequisites and conditions in Electronic Offer;
- b. information as contained in Electronic Contract is in accordance with information as contained in Electronic Offer;
- c. there is agreement of the parties, namely offering prerequisites and conditions which are sent by the party who delivers offer, accepted and approved by the party who receives the offer;
- d. performed by capable or proxy-competent legal subjects in accordance with provisions under laws and regulations;
- e. there is a certain object [*hal tertentu*]; and
- f. object of the transaction must not be in contradictory with laws and regulations, decency, and public order.

Article 53

- (1) Information in Electronic Contract should be in accordance with the offer and at least contains:
 - a. identity of the parties;
 - b. specification of agreed Goods and/or Services;
 - c. legality of Goods and/or Services;
 - d. value of Trading transaction;

- e. payment prerequisites and time period;
 - f. operational procedures for the shipping of Goods and/or Services;
 - g. procedures for returning Goods and/or Services in the event of inconformity between Goods and/or Services which are received with those which are agreed;
 - h. procedures in case of cancellation by the parties; and
 - i. choice of law [*pilihan hukum*] for PMSE dispute resolution.
- (2) Electronic Contract is prohibited from containing standard clauses which cause losses for Customers as addressed under the Law on Customer Protection.

Article 54

Electronic Contract may use digital signature as indication of agreement of the parties in accordance with provisions under laws and regulations.

Article 55

Electronic Contract which is addressed to the Customers in Indonesia should use Indonesian language.

Article 56

Businesses must provide Electronic Contract which is downloadable and/or storable by Customers.

Article 57

- (1) Electronic Contract is automatically considered to be null and void [*batal demi hukum*] if there is technical error due to Electronic Systems being not secure, reliable, and responsible.
- (2) If there is technical error as referred to in paragraph (1), the receiving party is not obliged to return Goods and/or Services which have been sent and received.
- (3) Losses due to technical error as referred to in paragraph (1) fully become the liability of Businesses.

CHAPTER XI PROTECTION OF PERSONAL DATA

Article 58

- (1) Every personal data is classified as personal property [*hak milik pribadi*] of persons or Businesses in question.
- (2) Any Businesses who obtains personal data as referred to in paragraph (1) must act as the trustee [*pengemban amanat*] in storing and possessing personal data in accordance with provisions under laws and regulations.

Article 59

- (1) Businesses must store personal data in accordance with personal data protection standards or customary business practices which develop.
- (2) Personal data protection standards or customs as referred to in paragraph (1) at least meet these protection principles:
 - a. personal data should be obtained in truthful and valid manners from data subjects in question, and be accompanied with the existence of choice and guarantee on the existence of security and preventive measures for any losses of such data owners;
 - b. personal data should be owned only for one or more purposes which are specifically described and valid, as well as cannot be further processed using methods which are not in accordance with such purposes;
 - c. obtained personal data should be appropriate, relevant, and not too broad in connection with its processing purposes as mentioned beforehand to data subjects;
 - d. personal data should be accurate and must always be up-to-date by giving facilities for data subjects to update their personal data;
 - e. personal data should be processed in accordance with its collection and designation purposes, as well as cannot be possessed for longer than the necessary time period;

- f. personal data should be processed in accordance with rights of data subjects as addressed under laws and regulations;
 - g. parties who store personal data should have appropriate security system to prevent leak or prevent any unlawful processing or utilization activities of personal data, as well as held liable for unforeseeable losses or damage occurring against such personal data; and
 - h. personal data cannot be transferred to other countries or regions outside of Indonesia, unless if such countries or regions are declared having equivalent standards and protection levels with Indonesia by the Minister.
- (3) In case data subjects declare to quit, stop subscribing or stop using PMSE services and means, then data subjects are entitled to request Businesses to erase all relevant personal data.
- (4) Upon request of data subjects as referred to in paragraph (3), Businesses should erase the entire relevant personal data in the systems as managed by such Businesses.



CHAPTER XII

PAYMENT WITHIN TRADING THROUGH ELECTRONIC SYSTEMS

Article 60

- (1) Within PMSE, the parties may perform payment through Electronic Systems.
- (2) Currency that is used as payment instrument within PMSE is in accordance with provisions under laws and regulations.
- (3) Payment through Electronic Systems as referred to in paragraph (1) may be performed by using banking system or other digital payment system means in accordance with provisions under laws and regulations.
- (4) Any organization of payment through Electronic Systems should obtain license from authorized institution in accordance with provisions under laws and regulations within the sectors of payment and/or banking system.

- (5) In the course of implementing organization of payment through Electronic Systems, domestic PPMSE and/or foreign PPMSE may enter into cooperation with payment system service operators based on cooperation.
- (6) Cooperation as referred to in paragraph (1) should be reported by domestic PPMSE and/or foreign PPMSE to the Minister.

Article 61

- (1) Operators of payment system services must comply with security level standards of Electronic Systems in accordance with provisions under laws and regulations.
- (2) Determination of security level standards as referred to in paragraph (1) is decided by the head of governmental agency which organizes governmental affairs within the sector of state cybersecurity and crypto, Governor of Bank Indonesia, and/or Head of Financial Services Authority.

Article 62

Businesses who operate payment system services as referred to under Article 61 paragraph (1) should meet prerequisites in accordance with provisions under laws and regulations within the sectors of payment system and/or banking.

CHAPTER XIII

SHIPPING OF GOODS AND SERVICES WITHIN TRADING THROUGH ELECTRONIC SYSTEMS

Article 63

- (1) In the event that the agreement for the purchase of Goods and/or Services through Electronic Systems has been performed, Merchants must perform the shipping of Goods and/or Services to the purchaser.
- (2) Shipping of Goods and/or Services as referred to in paragraph (1) may be performed by using courier services or by using other mechanisms for the shipping of Goods and/or Services, in accordance with standards for the shipping of Goods and/or Services as addressed by provisions under laws and regulations.

Article 64

- (1) For every shipping of Goods and/or Services which uses courier services or other shipping mechanisms, Businesses should ascertain the:
 - a. safety of Goods and/or Services;
 - b. appropriate condition of Goods and/or [sic] Services;
 - c. confidentiality of Goods and/or Services;
 - d. conformity of shipped Goods and/or Services; and
 - e. punctuality of the shipping of Goods and/or Services,in accordance with the agreement for transaction of Trading of Goods and/or Services through Electronic Systems.
- (2) Businesses must deliver information on shipped Goods.
- (3) Businesses cannot charge Customers on payment obligation for Goods which are shipped without underlying contract.

Article 65

- (1) In case transactions have been concluded by domestic PPMSE and/or foreign PPMSE, then the shipping of Goods and/or Services becomes the liability of domestic PPMSE and/or foreign PPMSE.
- (2) In the course of shipping of Goods and/or Services, domestic PPMSE and/or foreign PPMSE may enter into cooperation with Goods and/or Services shipping Businesses based on cooperation agreement which is made by domestic PPMSE and/or foreign PPMSE and Goods and/or Services shipping Businesses.
- (3) Cooperation as referred to in paragraph (2) should be reported to the Minister.

Article 66

- (1) In case the shipping of Goods and/or Services is performed by domestic PPMSE and/or foreign PPMSE, domestic PPMSE and/or foreign PPMSE must provide accurate and timely information on time period and shipping status to the Customers in periodic manner.
- (2) In case there is an error and/or inconformity between actual time period and shipping time period of Goods and/or Services as agreed in Electronic Contract with shipped

Goods and/or Services, thus causing dispute between Customers and Businesses, then domestic PPMSE and/or foreign PPMSE must resolve such dispute.

Article 67

Shipping of Digital Goods or Digital Services within PMSE is deemed valid if such Digital Goods or Digital Services have been fully received and be proven to be installed appropriately and/or operate properly in accordance with technical usage guideline which prevails for Digital Goods or Digital Services which are purchased or rented.

Article 68

- (1) Businesses who distribute Digital Goods or Digital Services, either charging fees or free of charge, must ascertain that Digital Goods or Digital Services in question may be operated properly.
- (2) In case Digital Goods or Digital Services as referred to in paragraph (1) cause losses for the users of Digital Goods or Digital Services, then losses in question should be the liability of Businesses.
- (3) Businesses should ascertain Digital Goods or Digital Services which are transacted are not Digital Goods or Digital Services as prohibited by the Government and provisions under laws and regulations.

CHAPTER XIV

EXCHANGE OF GOODS OR SERVICES AND PURCHASE CANCELLATION WITHIN TRADING THROUGH ELECTRONIC SYSTEMS

Article 69

- (1) Domestic Merchants and/or foreign Merchants and domestic PPMSE and/or foreign PPMSE must give a minimum time period of 2 (two) business days for the exchange of Goods and/or Services, or purchase cancellation, since the Goods and/or Services are received by the Customers.
- (2) Exchange of Goods and/or Services, or purchase cancellation as referred to in paragraph (1) may be performed in cases that:

- a. there is error and/or inconformity between Goods and/or Services which are shipped;
 - b. there is error and/or inconformity between actual time period of the shipping of Goods and/or Services;
 - c. there is hidden defect;
 - d. Goods and/or Services are broken; and/or
 - e. Goods and/or Services are expired.
- (3) Customers who perform exchange of Goods and/or Services as referred to in paragraph (2) may only be charged with fees for the returning of Goods and/or Services to domestic Merchants and/or foreign Merchants or domestic PPMSE and/or foreign PPMSE.
- (4) Charging of fees for shipping of Goods to Customers may be performed if the occurring error is contributed because of Customers' carelessness.

Article 70

- (1) In case PMSE object is Services for the performance of a work, the fulfillment on the agreed performance of work is carried out properly in accordance with business practice principles which develop based on experiences or best efforts in performing a good governance against a work and laws and regulations.
- (2) In case there is a breach of contract [*wanprestasi*] against the performance of work as carried out through PMSE, the parties may agree for the replacement of work with another work that is equivalent as a form of compensation or perform cancellation of agreement in accordance with provisions under laws and regulations.

Article 71

Every domestic PPMSE and/or foreign PPMSE who receive payment must possess or provide mechanisms which may ascertain refund for Customers if there is purchase cancellation by Customers.

CHAPTER XV

DISPUTE RESOLUTION WITHIN TRADING THROUGH ELECTRONIC SYSTEMS

Article 72

- (1) In case there is dispute within PMSE, the parties may resolve the dispute through court or through other dispute-resolution mechanisms.
- (2) PMSE dispute resolution as referred to in paragraph (1) may be organized electronically (online dispute resolution) in accordance with provisions under laws and regulations.
- (3) In case there is dispute between Domestic Businesses and Customers, Customers may file a lawsuit against Businesses through Customers' dispute-resolution institution or filing it to the judicial institution in Customers' domicile.

Article 73

- (1) The parties assume the authority to choose the prevailing law for international PMSE as made by them.
- (2) In case the parties do not make choice of law [*pilihan hukum*] within international PMSE, the prevailing law is based on Private International Law principles.

Article 74

- (1) The parties assume the authority to determine the forum of court, arbitration, or other alternative dispute-resolution institution which have the competence to handle disputes which may arise from international PMSE as made by them.
- (2) In case the parties do not make choice of forum [*pilihan forum*] as referred to in paragraph (1), the determination of competence of the court, arbitration, or other alternative dispute-resolution institutions which have the competence to handle disputes which may arise from such transactions, is based on Private International Law principles.
- (3) In case the parties choose to resolve international PMSE disputes through dispute-resolution fora which exist in Indonesia, then institutions which have competence to resolve such disputes are:

- a. Central Jakarta District Court; or
- b. arbitral institutions or other alternative dispute-resolution institutions, in accordance with provisions under laws and regulations.

Article 75

In case the parties are Foreign Businesses who perform transactions with Indonesian Customers and do not make choice of law and choice of forum for dispute resolution, then dispute resolution is carried out through:

- a. institution which assumes the duty to resolve disputes between Customers and businesses; or
- b. judiciary institutions which are within the scope of general judiciary, in accordance with provisions under laws and regulations within the sector of Customer protection.



CHAPTER XVI DEVELOPMENT AND SUPERVISION

Article 76

- (1) Minister is authorized to perform development and supervision against PMSE.
- (2) In the course of development and supervision as referred to in paragraph (1), the Minister may enter into coordination with ministers, heads of non-ministerial governmental agencies, and heads of related authorities, as well as regional governments.

Article 77

- (1) Minister performs development by the way of:
 - a. improving competence of the human resources of Domestic Businesses;
 - b. improving competitiveness of Domestic Businesses within PMSE;
 - c. facilitating the improvement of domestic products' competitiveness within PMSE;
 - d. facilitating promotion of domestic products for domestic and export markets;

- e. promoting and encouraging the use of PMSE;
 - f. increasing public financial inclusion through PMSE;
 - g. providing database of Businesses and domestic products; and
 - h. attempting for the provision of other facilitations in accordance with provisions under laws and regulations.
- (2) In the course of performance of development of Businesses as referred to in paragraph (1), the Minister enters into coordination and collaboration with related institutions in accordance with each of their authorities.
- (3) Further provisions on the forms of coordination and collaboration with related institutions are addressed under Regulation of the Minister.

Article 78

- (1) In the course of performing supervision, the Minister appoints supervisory officers within Trading sector.
- (2) In the course of performing supervision as referred to in paragraph (1), the Minister prioritizes protection and security of national interests from negative PMSE effects from overseas.
- (3) Supervisory officers as referred to in paragraph (1), in the course of carrying out supervision, they are assisted by supervisory assistance team as established by the Minister.
- (4) Further provisions on the performance of supervision are addressed under Regulation of the Minister.

Article 79

- (1) In the events of development and supervision, the Minister may request data and/or information of companies and business activities of Businesses in cases that:
- a. updated, accurate, and fast data are required; and
 - b. requested data are not covered in data and/or information as submitted to governmental agency which organizes governmental affairs within statistic sector as referred to under Article 21.

- (2) Further provisions for the request of data and/or information as referred to in paragraph (1) are addressed under Regulation of the Minister.

CHAPTER XVII

ADMINISTRATIVE SANCTIONS

Article 80

- (1) Businesses who violate provisions as referred to under Article 7 paragraph (3), Article 9 paragraph (2), Article 11, Article 12, Article 13 paragraph (1), Article 14, Article 15 paragraph (1), Article 16, Article 17, Article 20, Article 21, Article 23, Article 24 paragraph (1) and paragraph (2), Article 25 paragraph (1), Article 26, Article 27 paragraph (1), Article 28 paragraph (1), Article 33 paragraph (2), Article 34 paragraph (1) and paragraph (2), Article 35, Article 46 paragraph (1), Article 56, Article 58 paragraph (2), Article 59 paragraph (1), Article 61 paragraph (1), Article 63 paragraph (1), Article 64 paragraph (2), Article 66, Article 68 paragraph (1), Article 69 paragraph (1), and Article 71, are imposed with administrative sanctions by the Minister.
- (2) Administrative sanctions as referred to in paragraph (1) may be in the forms of:
- a. reprimands;
 - b. inclusion in the priority supervisory list;
 - c. inclusion in the blacklist;
 - d. temporary blocking of services of domestic PPMSE and/or foreign PPMSE by authorized related institutions; and/or
 - e. revocation of business license.
- (3) Reprimands as referred to in paragraph (2) letter a, are imposed for the maximum number of 3 (three) times within 2 (two) week grace period since the issuance date of the previous reprimand.
- (4) Administrative sanction in the forms of inclusion in the priority supervisory list as referred to in paragraph (2) letter b, is imposed against Businesses who fail to perform remedial acts after being imposed with the third reprimand.

- (5) Further provisions on the imposition of administrative sanctions are addressed under Regulation of the Minister.

CHAPTER XVIII

TRANSITIONAL PROVISIONS

Article 81

When this Regulation of the Government enters into force, PMSE Businesses who have performed activities of Trading of Goods and/or Services prior to the entry into force of this Regulation of the Government, must adjust with this Regulation of the Government within the time period of no later than 2 (two) years since this Regulation of the Government enters into force.



CHAPTER XIX
FINAL PROVISIONS

Article 82

This Regulation of the Government enters into force on the date of its promulgation.

For the purposes of public cognizance, it has been ordered that the promulgation of this Regulation of the Government should be achieved through its publication in the State Gazette of the Republic of Indonesia.

Established in Jakarta

on 20 November 2019

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed.

JOKO WIDODO

Promulgated in Jakarta

on 25 November 2019

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

signed.

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2019 NUMBER 222

**ELUCIDATION
OF
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 80 OF 2019
ON
TRADING THROUGH ELECTRONIC SYSTEMS**

I. GENERAL

On this day and age, Trading Through Electronic Systems have developed, which enables any parties to perform their trading activities and transactions through Electronic Communication system. Basically, policies and rules of provisions under laws and regulations on Trading, either performed conventionally or performed electronically, have the same purpose, namely performing Trading activities which are legal, truthful, be based on fair business competition principles, as well as respecting and protecting Customers' rights.

So does the related intermediary parties (*pihak-pihak ketiga*) who gave contributions, so that technically, a Trading activity or transaction may be performed electronically. Cooperation between such related parties within an operation of Electronic System for Trading transactions should be built based on mutual and responsible cooperation spirits in joint responsibility [*tanggung renteng*] and/or proportional responsibility toward the users of such system in accordance with each functions and roles.

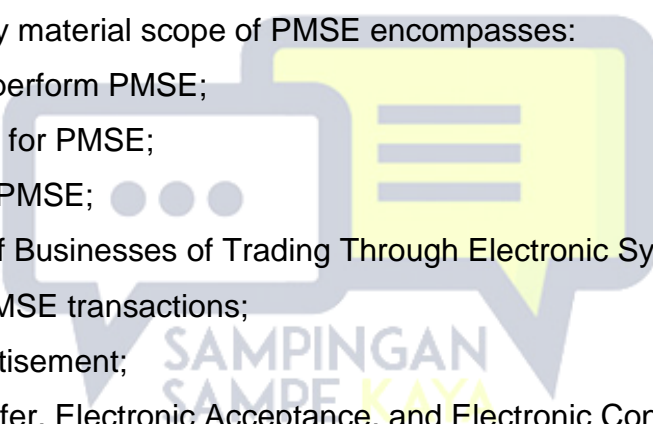
It is not different with conventional Trading, hence, activities and transactions of Trading Through Electronic Systems should meet the aspects of Trading obligations in general, specifically on the clarity of information, both subjective and objective elements. Such matters mandate the clarity on legality within electronic transactions, both prior the existence of transaction, performance of transaction and post-transaction.

Regulatory aspects of Trading have been generally addressed under the Law [Number 7 of 2014](#) on Trading and against the activities of Trading Through Electronic Systems, it has been mandated to formulate further regulation under

Regulation of the Government addressing such electronic commercial activities, for the sake of the organization of fair and trustworthy Trading system, as well as the protection of national interests. Differs from regulatory aspect under Regulation of the Government [Number 71 of 2019](#) on Organization of Electronic Systems and Transactions, hence, Regulation of the Government on Trading Through Electronic Systems addresses legal aspects of Trading in the operation and utilization of Electronic Systems as specifically designated for Trading.

Regulatory scope under this Regulation of the Government encompasses all Trading activities which are performed by using various modes and types of electronic communication systems, both online and offline. Such matters will encompass legal relationship within the context of business-to-business (*antara pelaku usaha*) and business-to-customer (*pelaku usaha dengan konsumen*).

Regulatory material scope of PMSE encompasses:

- 
- a. parties who perform PMSE;
 - b. prerequisites for PMSE;
 - c. operation of PMSE;
 - d. obligations of Businesses of Trading Through Electronic Systems;
 - e. receipt for PMSE transactions;
 - f. Digital Advertisement;
 - g. Electronic Offer, Electronic Acceptance, and Electronic Confirmation;
 - h. Electronic Contract;
 - i. protection of personal data;
 - j. payment within PMSE;
 - k. shipping of Goods and Services within PMSE;
 - l. exchange of Goods or Services and purchase cancellation within PMSE;
 - m. dispute resolution within PMSE; and
 - n. development and supervision.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Letter a

The principle of good faith means that Businesses and Customers, in the course of performing Trading Through Electronic Systems, must have good faith, whereas the violation of this principle resulting in the cancellation of agreement between the parties, without undermining or overriding rights of the party who has good faith in performing Trading Through Electronic Systems (*Perdagangan Melalui Sistem Elektronik/PMSE*).

Letter b

The principle of precautionary means that Businesses and Customers must act cautiously in performing Trading Through Electronic Systems (PMSE), whereas all electronic information in connection with Businesses, Customers, Goods and/or Services which become the Trading object, as well as prerequisites and conditions of Trading of Goods or Services through Electronic Systems must be well-understood.

Letter c

The principle of transparency means that Businesses and Customers must transparently submit all electronic information in connection with Businesses, Customers, Goods or Services which become the Trading object, as well as prerequisites and conditions of Trading of Goods and/or Services through Electronic Systems must be well-understood.

Letter d

The principle of trustworthiness means that Businesses must develop Electronic Systems properly and be appropriately trusted for the sake of maintaining trust of system users against Electronic Systems as operated by them.

Letter e

The principle of accountability means that Trading Through Electronic Systems (PMSE) must be performed by Businesses and Customers in accountable manner with regards to provisions under laws and regulations and generally prevailed ethics.

Letter f

The principle of balance means that Businesses and Customers must guarantee that legal relationship that is performed is based on mutual principle is in accordance with expectation and effort which are given by each party.

Letter g

The principle of fair and sound mean that there is an equal opportunity and playing field in business activities among PMSE Businesses to realize conducive business climate, therefore guaranteeing the certainty and equal business opportunity.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Transactions among state organizing institutions or public service organizers are performed in accordance with provisions under the Law [Number 25 of 2009](#) on Public Services and Law [Number 11 of 2008](#) on Electronic Information and Transactions, as amended by Law [Number 19 of 2016](#) on Amendment to Law Number 11 of 2008 on Electronic Information and Transactions. In addition, within the context of procurement of Goods/Services using state budget is further addressed under [Regulation of the President](#) on Public Procurement of Goods/Services.

Article 5

Payment system service operators (payment gateway) are classified as Businesses, however, its regulation is specifically addressed by the authorized institution.

Those which are included within the scope of definition of Merchants are Businesses who perform Electronic Offer, either through Electronic Systems as owned or managed by themselves or through means as provided by domestic PPMSE and/or foreign PPMSE.

Sellers who only sell Goods and/or Services temporary and not commercially are not classified as Merchants.

Those which are included within the scope of definition of PPMSE are all parties who provide Services and/or means of Electronic Systems, thus enabling a transaction for PMSE business activities to be performed. Such Businesses operate their services by providing application system to be used as Electronic Communication means in order to facilitate Trading business activities and/or conclusion of PMSE, including various business models for the operation system of PMSE. Business models of PPMSE are *inter alia*:

- a. online retails or Merchants who own their own PMSE means;
- b. marketplaces or platform (*pelantar*) operators as a forum where Merchants may place offer of Goods and/or Services;

- c. online classified ads [*iklan baris online*], namely a platform (*pelantar*) which meets sellers and purchasers, where the entire process of transactions occur without the involvement of PPMSE;
- d. platforms (*pelantar*) for price comparison;
- e. daily deals.

Electronic Communication means may function as media of information, communication, transaction conclusion, payment system and/or shipping system of Goods.

Those which are included within the scope of definition of Operators of Intermediary Services (*sarana perantara*) namely the providers of search-engine (*sistem penelusuran informasi*) means, providers of storage space of information in permanent manner (hosting) or for temporary storage (caching).

Intermediary function covers, but not limited to the information searching function (mere-conduit), provision of proper permanent place (hosting) or for temporary (caching).

Article 6

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Paragraph (1)

“Identity of legal subject” refers to all information which describe the existence and legality of legal subject in question, either individual or incorporated entity, which is included in, *inter alia*, Residency Identity Card, Business License, Number of Decree for the Legalization of Incorporated Entity, Identity Number

of PMSE Businesses as granted by the Minister, bank account's number, or cellphone number.

Clarity of legal subject as domestic PPMSE and/or foreign PPMSE may be fulfilled with the inclusion of Identity Number of PMSE Businesses as granted by the ministry which organizes governmental affairs within trading sector.

Paragraph (2)

Basically, all prevailing principles and provisions under Law [Number 7 of 2014](#) on Trading and Law [Number 11 of 2008](#) on Electronic Information and Transactions, as amended by Law [Number 19 of 2016](#) on Amendment to Law Number 11 of 2008 on Electronic Information and Transactions also prevail in this Regulation of the Government, so that the parties who perform Trading Through Electronic Systems should give regards and comply with policies of domestic Trading, foreign Trading, and border Trading, namely:

- a. policy for the protection of national interests;
 - b. prohibition or limitation of export-import;
 - c. product standardization for Goods and Services;
 - d. regulation within the custom sector,
- and provisions under laws and regulations within the sector of electronic information and transactions.

Article 10

Paragraph (1)

“Goods and/or Services which resulting in national security vulnerability” refer to, *inter alia*, but not limited to cryptography products, products as used for monitoring and surveillance [*sic*] (*penyadapan dan anti sadap*).

“Security clearance” refers to the results of examination and assessment from authorized institutions against the effects of a product or Goods and/or Services against national security.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 11

Any Businesses who perform PMSE must meet the prerequisites of, *inter alia*, business license, technical license, Company Registration Certificate [*Tanda Daftar Perusahaan*], Taxpayer Identification Number, business conduct (*kode etik bisnis*)/code of practices (*perilaku usaha*), product standardization of Goods and/or Services and other matters in accordance with provisions under laws and regulations.

Business conduct (*kode etik bisnis*)/code of practices (*perilaku usaha*) are ethical rules to perform Trading in truthful manner and upholding fair competition spirit, both prevailing in the internal and external of Businesses.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Paragraph (1)

Domestic Merchants and/or foreign merchants who use their own PMSE means are one of business models of domestic PPMSE and/or foreign PPMSE. Hence, prevailing provisions for domestic PPMSE and/or foreign PPMSE also



prevail for domestic Merchants and/or foreign Merchants who use their own PMSE means.

Paragraph (2)

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Letter a

“Customers’ satisfaction” refers that rights of the Customers have been fulfilled by Businesses.

Letter b

“There is an evidence on the existence of implementation of appropriate Customer protection” means the existence of guarantee for Customers that every complaint and request of other information will be served properly in accordance with provisions under laws and regulations.

Letter c

Self-explanatory.

Article 20

Self-explanatory.

Article 21

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

“Related institution” refers to ministry who organizes governmental affairs within the sector of communication and informatics.

Letter f

Self-explanatory.

Letter g

“Other related sectoral” refers to, such as Bank Indonesia in case of operation of payment system services through electronic systems and Financial Services Authority in case of organization of financial services.

Paragraph (2)

Collection and processing of data are performed through cooperation, *inter alia* with Bank Indonesia.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 22

Paragraph (1)

“Electronic information” refers to a single or a group of electronic data, including but not limited to text, sound, image, map, design, photo, electronic data interchange (EDI), electronic mail (*surat elektronik*), telegram, telex, telecopy or its equivalent, character, mark, number, access code, symbol, or perforation which has been processed and having meaning or understandable by the person who is capable to understand it.

“Illegal electronic information content” refers to content that is prohibited or unlawful in nature in accordance with provisions under laws and regulations.

Paragraph (2)

“Act fast” refers to act as soon as having knowledge on the existence of illegal electronic information content, which may be seen from, *inter alia*, the existence of procedures after receiving notification from other parties or after knowing by themselves on such illegal electronic information content in accordance with provisions under laws and regulations.

Paragraph (3)

Self-explanatory.

Paragraph (4)

“Interactive computer services” refer to various services which are operated for the public to answer their needs of information society services (*masyarakat informasi*), such as social media information service providers.

Article 23

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Paragraph (1)

Letter a

“Data and information within PMSE in relation to financial transactions” refer to those as addressed under Article 28 paragraph (11) of Law [Number 6 of 1983](#) on General Provisions of and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#) on the Stipulation of Regulation of the Government in lieu of Law [Number 5 of 2008](#) on Fourth Amendment to Law Number 6 of 1983 on General Provisions of and Procedures for Taxation becomes a Law.

Letter b

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 26

Letter a

Provisions under laws and regulations within the sector of Customer protection, for example, Customer protection over payment instruments refer to provisions under laws and regulations on Customer protection within the sector of payment system.

Letter b

Self-explanatory.

Article 27

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

“Competent officers for processing complaint services” refer to officers who are capable of providing explanations and/or answers against submitted complaints.

Letter e

Self-explanatory.



Article 28

Paragraph (1)

Valid receipt for PMSE transactions refers to Article 5 and Article 6 of Law [Number 11 of 2008](#) on Electronic Information and Transactions, as amended by Law [Number 19 of 2016](#) on Amendment to Law Number 11 of 2008 on Electronic Information and Transactions.

Paragraph (2)

“Bind the parties in accordance with provisions under laws and regulations” should give regards to the reliability of security level which determines the degree of authenticity against electronic transaction evidence.

Reliability of security system, technically in practice, will determine the evidentiary burden [*bobot pembuktian*] against the electronic evidence itself.

With higher security level against an electronic evidence, then such electronic evidence may function properly as authentic evidence due to guaranteed authorization, authenticity, confidentiality, integrity/entirety and non-deniability. If the security level is low, then the entirety of such electronic evidence is not guaranteed, hence it opens for the possibility to be denied, as similar with writing evidence as privately made [*bawah tangan*].

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 29

Paragraph (1)

Self-explanatory.

Paragraph (2)

Evidentiary force [*kekuatan pembuktiaan*] of an electronic information which uses digital signature as supported by a digital certificate which roots to Government digital certificate, has perfect evidentiary force and binding, unless it can be proven otherwise by the party who refutes it.

Electronic information and/or digital signature may become a proof on the intention to enter into contract and/or perform a consent to perform transactions, provided that there is method or system which may explain such matter.

Electronic information may become an evidence that is equivalent to authentic deed, provided that there is no refutation from the parties or from the party who should have been considered to be liable over such electronic information.

Burden of evidentiary force [*bobot kekuatan pembuktian*] against electronic information is determined by the level of security reliability against information system and/or electronic communication which are used. If there is no information security, then the panel of judges should be independent to assess such evidence. If such information is derived from accredited and/or certified system, then the panel of judges should properly admit such evidence as similar to authentic deed, unless it is proven otherwise before the proceedings. Basically, Electronic communication via the internet is naturally open and prone against security of communication that is used to perform transactions. The use of digital signature should be able to explain the security and authenticity of information on transactions which is used as receipt for transactions.

Value of evidentiary force [*kekuatan pembuktian*] against transactional evidence which is not secure or does not use digital signature should yet to be deemed to have the same status as similar to authentic writing evidence, to that end, the judge should consider its security reliability before trusting such evidence.

Article 30

Submission of electronic information as valid and binding evidence should consider the principle of functional equivalent approach (*kesetaraan fungsional*), namely principle of legal acknowledgement that an electronic information is functionally comparable with information on the paper.

Article 31

“Electronic transaction” refers to legal act that is performed by using computer, computer network and/or other electronic media.

Article 32

Self-explanatory.

Article 33

Paragraph (1)

Self-explanatory.

Paragraph (2)

“Privacy and personal data” not only encompass the security aspect of privacy and personal data of customers, but also encompassing every aspects relating to customers’ convenience as addressed under Law [Number 8 of 1999](#) on Customer Protection and Law [Number 11 of 2008](#) on Electronic Information and Transactions, as amended by Law [Number 19 of 2016](#) on Amendment to Law Number 11 of 2008 on Electronic Information and Transactions, as well as their implementing regulations.

Article 34

Paragraph (1)

“In contradictory with fair business competition principles” is the presentation of advertisement which is untruthful or unfair (*tidak adil*) competition or has the purpose to discredit competitors.

Provisions under laws and regulations on fair business competition refer to provisions under Law [Number 5 of 1999](#) on Prohibition of Monopoly and Unfair Business Competition Practices and also refer to Law [Number 8 of 1999](#) on Customer Protection.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 35

Basically, every Businesses is held liable for the validity of substances or contents of presented advertisements. Even though an advertisement cannot yet be declared as offering conditions, the party who believes such advertisement is deemed to have given trust against substances as offered by every Businesses.

Article 36.

Self-explanatory.

Article 37

Self-explanatory.

Article 38

Paragraph (1)

Electronic Offer which is publicly performed refers to offering of Trading transactions which is performed to the public or all parties.

Electronic Offer which is performed in limited manner refers to offer of Trading transactions which is performed in particular/private, limitative or only to certain parties.

Paragraph (2)

Provisions under laws and regulations in question, *inter alia*, provisions under laws and regulations within the sectors of Customer protection and advertisement.

Article 39

Self-explanatory.

Article 40

Self-explanatory.

Article 41

Self-explanatory.

Article 42

Self-explanatory.

Article 43

Self-explanatory.

Article 44

Self-explanatory.

Article 45

Paragraph (1)

“Responsive” refers to the party who delivers answer, should follow technical mechanisms or procedures as carefully determined in viewing whether there is a system flaw or not, by paying attention to message or response error, if occurs.

Paragraph (2)

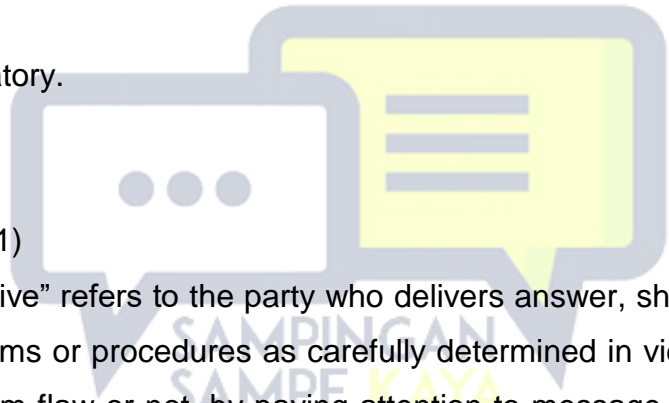
Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.



Article 46

Paragraph (1)

Determination of certain period of time is in accordance with the operational standards or in accordance with statements as agreed in service level agreements (*perjanjian tingkat layanan*), as well as by paying attention to the clarity of response time and business day.

Paragraph (2)

“Non-electronic confirmation” refers to agreement of offer in non-electronic forms, such as evidence of confirmation in the forms of print, receipt [*tanda terima*], and payment receipt [*kuitansi*].

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 47

Self-explanatory.

Article 48

Self-explanatory.

Article 49

Self-explanatory.

Article 50

Self-explanatory.

Article 51

Paragraph (1)

Sale-and-purchase agreement/obligation [*perikatan*] has the purpose to realize transfer of ownership right over offered Goods or Services, while



license agreement/obligation only has the purpose to realize the granting of permit or to perform a certain right, *inter alia*, right to use, right to modify, and other rights as addressed under the agreement itself.

Paragraph (2)

Self-explanatory.

Article 52

Self-explanatory.

Article 53

Self-explanatory.

Article 54

Self-explanatory.

Article 55

Self-explanatory.

Article 56

Self-explanatory.

Article 57

Paragraph (1)

“Technical error” refers to error or bug [*cacat teknis*] within the operation of system by system developer/vendor (*pembuat sistem*), whereas the system is deliberately developed to operate not as it should be, with the purpose of performing inertia selling (*pemaksaan kontrak*) or fraud toward its users.

Paragraph (2)

Goods and/or Services which have been shipped are considered as give-away [*pemberian dengan cuma-cuma*].



Paragraph (3)
Self-explanatory.

Article 58

Paragraph (1)
Self-explanatory.

Paragraph (2)

“Trustee” refers to personal data controller in accordance with its designation. In assuming the mandate for the storage and use of personal data, it refers to personal data protection standards in accordance with appropriateness and customary business practices.

Article 59

Paragraph (1)
Self-explanatory.

Paragraph (2)

Personal data protection standards give regards to the existence of Europe data protection standards and/or APEC Privacy Frameworks.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Article 60

Self-explanatory.

Article 61

Self-explanatory.

Article 62

Self-explanatory.

Article 63

Paragraph (1)

Self-explanatory.

Paragraph (2)

In case the shipping of Goods and/or Services that is an output of Trading transactions, both domestically and cross-border, provisions under these laws and regulations prevail, *inter alia*, within the sectors of customs, postal and etc.

Article 64

Self-explanatory.

Article 65

Paragraph (1)

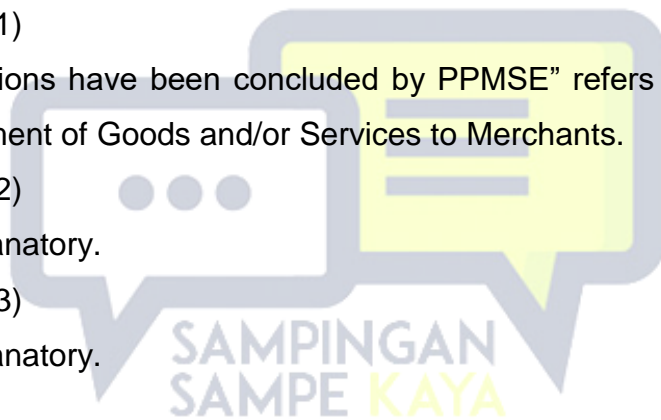
“Transactions have been concluded by PPMSE” refers to the transaction of final payment of Goods and/or Services to Merchants.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.



Article 66

Self-explanatory.

Article 67

“Properly” means that the system works in accordance with specifications which have been declared, or in accordance with the agreed terms [*sic*], if its existence is made upon order.

Article 68

Paragraph (1)

Self-explanatory.

Paragraph (2)

“Cause losses” refers to, *inter alia*, not in accordance with service level agreements (SLA) or not in accordance with specifications as written on the offer.

Paragraph (3)

Self-explanatory.

Article 69

Self-explanatory.

Article 70

Paragraph (1)

Agreement on the performance of a work which is agreed electronically basically still refers to characteristics of the agreement on the performance of work based on Article 1601 of [Civil Law Code](#) [*Kitab Undang-Undang Hukum Perdata*] and laws and regulations, encompassing, *inter alia*, temporary Service agreement such as consultant, vendor agreement [*perjanjian pemborongan kerja*] which produces an object, and manpower agreement [*perjanjian perburuhan*] to perform a work based on wage.

Paragraph (2)

Provisions on breach of contract [*wanprestasi*] of obligation [*perikatan*] to perform a work still refers to legal rules under the [Civil Law Code](#) and laws and regulations.

Article 71

Mechanisms which may ascertain refund for customers if there is purchase cancellation by Customers are, *inter alia*, by providing escrow account (*akun rekening jaminan*).

Article 72

Paragraph (1)

“Other dispute-resolution mechanisms” may take form as consultation, negotiation, conciliation, mediation or arbitration in accordance with provisions under laws and regulations.

Paragraph (2)

Basically, online dispute resolution (*penyelesaian sengketa secara elektronik*) refers back to agreement of the parties. Such resolution may take form as online mediation as organized by supporting professionals, such as advocates or mediators, through accredited online arbitral institutions, or governmental agencies which are authorized for that.

Paragraph (3)

Self-explanatory.

Article 73

Paragraph (1)

Choice of law [*pilihan hukum*] which is made by the parties in international contracts, including of those which are performed electronically, is known as choice of law. This law binds as law which prevails for such contract. Choice of law within PMSE may only be performed if there is a foreign element in its contract and its implementation should be in line with Private International Law (*Hukum Perdata Internasional/HPI*) principles.

Paragraph (2)

“The parties” refer to Indonesian Businesses with foreign businesses or foreign customers.

Article 74

Paragraph (1)

Forum which has the competence to decide on international contract disputes, including those which are performed electronically, is forum that is chosen by

the parties. Such forum may take form as court, arbitration, or other alternative dispute-resolution institutions.

Paragraph (2)

In case the parties do not make choice of forum [*pilihan forum*], against the competence of forum, principles or rules of Private International Law should prevail. Such rules are acknowledged with the defendant's basis of presence (*tempat tinggal tergugat*) and effectiveness which puts emphasis on the place where assets of the defendant exists (principle of effectiveness).

Paragraph (3)

Self-explanatory.

Article 75

Self-explanatory.

Article 76

Self-explanatory.

Article 77

Self-explanatory.

Article 78

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

In view of the rapid development of PMSE and may be inter-sectoral in nature, hence, supervisory officer within Trading sector needs supports from supervisory assistance team which may be inter-sectoral and multi-stakeholder in nature.



Paragraph (4)
Self-explanatory.

Article 79

Self-explanatory.

Article 80

Paragraph (1)
Self-explanatory.

Paragraph (2)

Letter a
Self-explanatory.

Letter b

“Priority supervisory list” refers to list of Businesses which are troubled or have potentials to violate Trading policies, but not yet included in the blacklist.

Administration of such list is performed using transparent mechanism.

Letter c

“Blacklist” refers to list of Businesses who have bad reputation, have been proven to cause losses for Customers, national interests, and/or national security.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
Self-explanatory.

Article 81

Self-explanatory.

Article 82

Self-explanatory.

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NUMBER 6420

