

## **The Effectiveness of the Implementation of Administrative Sanctions in Consumer Dispute Resolution in the E-Commerce Era under the Consumer Protection Law**

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### **Abstract**

The evolution of e-commerce due to digital transformation has introduced new issues in consumer protection, particularly concerning the efficacy of administrative penalties against digital enterprises. The primary issue in this study pertains to the ineffectiveness of administrative sanctions as stipulated in Law Number 8 of 1999 regarding Consumer Protection (UUPK), which remains anchored in the conventional transaction paradigm and has not adequately addressed cross-border and anonymous e-commerce practices. The objective of this research is to conduct a legal analysis of the efficacy of examine administrative punishments within the digital consumer protection framework, highlight normative and institutional obstacles to its execution, and propose alternative legislative changes for responsiveness. The methodology used is normative legal research using a regulatory and conceptual framework, supplemented by a study of secondary literature. The study's findings suggest the need to revise legislative regulations and enhance institutions by creating a digital oversight authority and developing a technology-driven integrated supervisory system. This change is crucial for guaranteeing legal stability and robust protection for consumers in the digital commerce age.

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### **Abstrak**

Perkembangan e-commerce sebagai hasil dari transformasi digital telah menciptakan tantangan baru dalam perlindungan konsumen, khususnya terkait efektivitas penegakan sanksi administratif terhadap pelaku usaha digital. Permasalahan utama dalam penelitian ini terletak pada ketidakefektifan penerapan sanksi administratif sebagaimana diatur dalam Undang-Undang Nomor 8 Tahun 1999 tentang Perlindungan Konsumen (UUPK), yang masih berbasis paradigma transaksi konvensional dan belum sepenuhnya mampu menjangkau praktik e-commerce yang lintas batas dan anonim. Tujuan dari penelitian ini adalah untuk menganalisis secara yuridis efektivitas sanksi administratif dalam rezim perlindungan konsumen digital serta mengidentifikasi hambatan normatif dan kelembagaan yang menghambat pelaksanaan-

nya, sekaligus merumuskan alternatif reformasi hukum yang responsif. Metode yang digunakan adalah penelitian hukum normatif dengan pendekatan perundang-undangan dan konseptual, ditunjang oleh analisis literatur sekunder. Hasil kajian menunjukkan bahwa diperlukan pembaruan norma hukum serta penguatan kelembagaan melalui pembentukan otoritas pengawasan digital dan pengembangan sistem pengawasan terpadu berbasis teknologi. Reformasi ini penting untuk menjamin kepastian hukum dan perlindungan efektif bagi konsumen di era perdagangan digital.

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## INTRODUCTION

The advancement of information technology has significantly transformed economic activity, particularly via the rise of e-commerce as a contemporary way of trade transactions. Digitalization enables users to acquire products and services online without constraints of time and location. This phenomenon promotes ease and efficiency while also introducing new complexity in consumer protection.<sup>1</sup> Amidst this convenience, other issues emerge from abuses of consumer rights, including discrepancies between items and their descriptions, delayed deliveries, and the exploitation of personal data. The need for law enforcement, particularly via administrative punishments, is crucial for guaranteeing justice and legal certainty for consumers in the digital age.<sup>2</sup>

Law Number 8 of 1999 for Consumer Protection (hereafter referred to as the UUPK) serves as the primary legal framework governing the rights and responsibilities of consumers and corporate entities. Article 1, number 1 of the UUPK defines a consumer as any individual who utilizes commodities and/or services accessible in society for personal, familial, or communal advantage, and not for commercial purposes. The UUPK protects consumers by regulating normative rights and facilitating dispute resolution via both litigation and non-litigation methods. Upon a breach, the UUPK permits the imposition of administrative, civil, and criminal punishments on commercial entities.<sup>3</sup>

Administrative punishments outlined in Article 60 of the UUPK include written warnings, cessation of business operations, and/or annulment of business licenses. The

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<sup>1</sup> Irsan Rahman et al., "Harmonization of Digital Laws and Adaptation Strategies in Indonesia Focusing on E-Commerce and Digital Transactions," *Innovative: Journal Of Social Science Research* 4, no. 1 (January 18, 2024): 4314–27, <https://doi.org/10.31004/innovative.v4i1.8240>.

<sup>2</sup> Lintang Yudhantaka, Ghansham Anand, dan Manik Lingkar Katulistiwa, "The Perspective of Indonesian Law on E-Commerce: Validity, Liability and Dispute Settlement," *JOURNAL OF LAW* 7, no. 3 (December 20, 2020): 334–52.

<sup>3</sup> Yanto Sufriadi, "Prevention Efforts Against E-Commerce Fraud Based on Indonesian Cyber Law," in *2021 9th International Conference on Cyber and IT Service Management (CITSM)*, 2021, 1–6, <https://doi.org/10.1109/CITSM52892.2021.9588900>.

imposition of administrative sanctions is crucial due to the cross-border nature and rapid evolution of e-commerce, necessitating a legislative response that is both flexible and effective. Nevertheless, the efficacy of administrative punishments remains an issue in practice. Numerous internet business operators lack official legality in Indonesia or are not registered as legal companies directly accountable to national consumer protection agencies. This complicates the enforcement of punishments against transgressors.

From a legal theoretical standpoint, the implementation of administrative sanctions in consumer protection can be examined through Soerjono Soekanto's theory of legal effectiveness, which posits that the efficacy of law is determined by five factors: the law itself (substance), law enforcement, supporting facilities, society, and culture.<sup>4</sup> Within the realm of consumer protection in e-commerce, these five variables must operate synergistically. Nonetheless, empirical evidence indicates that the legislative framework inside the UUPK does not govern digital transactions, law enforcement continues to have challenges in addressing foreign corporate entities, and consumers remain inadequately informed about their rights.

The issue becomes very intricate when transactions take place on internet sites outside the reach of Indonesian law. In this instance, international commercial entities without a representative office in Indonesia have challenges in being subjected to administrative punishments as outlined in the UUPK. The vulnerability of national legal tools, based on territoriality, becomes evident when confronting the complexities of the global economy. This also prompts essential inquiries about the capacity of the state to safeguard consumers from international commercial entities in e-commerce transactions. Within the realm of state administrative law, administrative sanctions represent the government's discretionary power to implement legal standards for the public good. The execution of these punishments must be swift, straightforward, and focused on rehabilitation. Administrative punishments often lack a deterrent impact due to the absence of stringent oversight and a clear reporting mechanism. The lack of a single organization with central jurisdiction to enforce penalties in the e-commerce industry further undermines consumer protection.

In the era of e-commerce, consumer dispute resolution cannot rely solely on conventional mechanisms. The Consumer Dispute Resolution Agency (BPSK), which was

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<sup>4</sup> Muhammad Ardhi Razaq Abqa et al., *CONSTITUTIONAL LAW: A Basic Concept in Organizing the Nation* (PT. Sonpedia Publishing Indonesia, 2023).

formed under Article 52 of the UUPK, is still operating manually in many regions and has not been able to access or handle cases that arise in the digital realm. Ideally, e-commerce dispute resolution needs to be done online (online dispute resolution / ODR)<sup>5</sup> To match the characteristics of the electronic transaction itself. Not only that, the urgency of establishing derivative norms in the form of implementing regulations that regulate technical supervision and sanctions enforcement in the digital realm is increasingly urgent to be addressed.<sup>6</sup>

The primary issue in this research is the ineffectiveness of administrative penalties in addressing customer issues in e-commerce. This ineffectiveness may stem from several factors, including: (1) the restricted jurisdiction of consumer protection agencies over digital enterprises, particularly those located overseas; (2) the lack of comprehensive regulations governing the digital processes for imposing and executing administrative penalties; (3) insufficient consumer literacy in recognizing and asserting their rights; and (4) inadequate collaboration among regulatory bodies such as the Ministry of Trade, Communication and Informatics, and BPSK.

The urgency of this discourse stems from the need for legislative and institutional changes to enhance the scope and enforcement of law against commercial entities in the digital domain. Given the escalating amount of digital transactions in Indonesia, projected by BPS data to exceed IDR 400 trillion by 2024, consumer protection must extend beyond mere declarations. The state must possess a tangible legal framework that is sensitive and adaptable to technological advancements.

This research will investigate the efficacy of administrative punishments in addressing consumer complaints in the e-commerce age, as stipulated by the UUPK. The study will concentrate on optimizing the features of administrative penalties to safeguard consumers, the practical implementation mechanisms of these punishments, and the challenges encountered by authorities in their enforcement. The research will provide a more efficient and adaptive legal policy framework for digital transactions, including the potential enhancement of Online Dispute Resolution (ODR) and the creation of a specialized authoritative body for digital consumer protection.

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<sup>5</sup> Karolina Mania, "Online dispute resolution: The future of justice," *International Comparative Jurisprudence* 1, no. 1 (November 1, 2015): 76–86, <https://doi.org/10.1016/j.icj.2015.10.006>.

<sup>6</sup> Arif Rahman, "Consumer Dispute Resolution Through the Serang City Consumer Dispute Resolution Agency (BPSK)," *Journal of Law* 2, no. 1 (2018): 21–42.

Research by Aziz and Hidayah (2020)<sup>7</sup> The *RechtsVinding Journal* emphasizes the need for specialized provisions for Online Dispute settlement (ODR) about e-commerce issues in Indonesia, highlighting the imperative of creating an effective and transnational online dispute settlement framework. Nonetheless, the research has not thoroughly examined the efficacy and obstacles associated with the enforcement of administrative punishments in safeguarding digital consumers. This article addresses the gap by legally examining the efficacy of administrative sanctions within an e-commerce consumer protection framework, while proposing a design for legal and institutional reforms that are more attuned to anonymous and cross-jurisdictional digital commerce activities.

Research by Sella Afriliana (2023)<sup>8</sup> In his article "*Effectiveness of Consumer Dispute Resolution Through the Consumer Dispute Resolution Agency (BPSK)*," he examines the institutional efficacy of BPSK in addressing customer complaints, emphasizing restricted power and procedural technical impediments, and the implementation of decisions. This study primarily examines dispute resolution processes in traditional settings and does not address the emerging complexity in e-commerce transactions or the normative problems associated with the enforcement of administrative fines against digital commercial entities. This paper extends the research to the domain of cross-border and anonymous e-commerce, especially examining the efficacy of administrative penalties in safeguarding digital customers. The research gap addressed is the deficiency of normative and conceptual studies emphasizing the need for law reform regarding administrative punishments that are more adaptable to the digital commerce environment.

This research will address the following question: (1) What is the efficacy of administrative penalties in settling consumer disputes in the e-commerce age, as delineated by the Consumer Protection Law? and (2) What are the legal and structural impediments that obstruct the enforcement of administrative penalties against digital business entities, and what are the proposed solutions?

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<sup>7</sup> Muhammad Faiz Aziz dan Muhamamd Arif Hidayah, "PERLUNYA PENGATURAN KHUSUS ONLINE DISPUTE RESOLUTION (ODR) DI INDONESIA UNTUK FASILITASI PENYELESAIAN SENGKETA E-COMMERCE," *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional* 9, no. 2 (27 Agustus 2020): 275, <https://doi.org/10.33331/rechtsvinding.v9i2.449>.

<sup>8</sup> Sella Ellissa Devita Sari, Mutiara Wikant Saphira, dan Theodore Sibarani, "Legal Aspects of Consumer Protection in E-Commerce Transactions: Implementation and Urgency of Regulations in the Digitalization Era," *JUSTICES: Journal of Law* 3, no. 2 (16 April 2024): 86–110, <https://doi.org/10.58355/justices.v3i2.105>.

The research method used in this study is a normative legal research method, which is an approach that relies on the study of applicable legal norms as the basis for the main analysis. Normative legal research is carried out by examining legal materials consisting of primary, secondary, and tertiary legal materials to obtain systematic juridical arguments.<sup>9</sup> Regarding the effectiveness of the application of administrative sanctions in resolving consumer disputes in the e-commerce era. The primary legal materials used include laws and regulations directly related to consumer protection, especially Law Number 8 of 1999 concerning Consumer Protection, Law Number 11 of 2008 concerning Information and Electronic Transactions and its amendments, as well as implementing regulations and technical policies issued by relevant agencies such as the Ministry of Trade and the Ministry of Communication and Informatics.

Furthermore, secondary legal resources, including scientific literature, legal journals, and prior research findings, were used to enhance the study and provide a conceptual framework for the application of administrative punishments and the attributes of e-commerce transactions. Tertiary legal resources, including legal dictionaries, legal encyclopedias, and supplementary papers, are used to enhance the precision of terminology comprehension. This research employs a philosophical and statutory approach, with historical and comparative methods where appropriate, to analyze the dynamics of regulation and its practical implementation in both global and national contexts.

This research does a qualitative analysis by interpreting and formulating pertinent legislative standards to evaluate the efficacy and challenges in the enforcement of administrative penalties on e-commerce businesses. This technique aims to investigate rational and feasible legal alternatives to address the need for consumer protection in the digital age, including initiatives to redesign adaptable and progressive legal frameworks.

## **JURIDICAL ANALYSIS OF THE EFFECTIVENESS OF ADMINISTRATIVE SANCTIONS IN THE DIGITAL CONSUMER PROTECTION REGIME**

The legal framework of thought regarding consumer protection in the digital era can be elucidated through welfare state theory and regulatory theory, which assert that the state

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<sup>9</sup> Muhammad Syarif et al., *LEGAL RESEARCH METHOD METHOD* (GET Press Indonesia, 2024), [https://www.researchgate.net/profile/Mohamad-Hidayat-Muhtar/publication/381460823\\_METODE\\_PENELITIAN\\_HUKUM/links/666e76f8de777205a32ff37b/METODE-PENELITIAN-HUKUM.pdf](https://www.researchgate.net/profile/Mohamad-Hidayat-Muhtar/publication/381460823_METODE_PENELITIAN_HUKUM/links/666e76f8de777205a32ff37b/METODE-PENELITIAN-HUKUM.pdf).

bears an active obligation to safeguard its citizens from excessive market risks, particularly in the realm of information technology-based commerce. In welfare state theory, the state transitions from a passive protector of public order to an active entity responsible for ensuring distributive justice and safeguarding disadvantaged groups, including consumers. Regulatory theory posits that state intervention is a reaction to market failure, whereby information asymmetry and disparities in the connection between commercial entities and consumers may lead to significant losses that can only be mitigated via robust and adaptable legal mechanisms.<sup>10</sup> In this context, administrative penalties exemplify the government's discretionary power designed to promote swift, effective, and efficient compliance with consumer protection regulations, circumventing the need for formal and protracted court processes.

The rapid advancement of information and communication technology has caused considerable upheaval in the global economic framework, including in Indonesia. Digital transformation has revolutionized the trade environment, rendering it more dynamic, flexible, and borderless, therefore fostering the prevalence of e-commerce activities across diverse industries, including retail, services, and finance.<sup>11</sup> This transition represents not just an economic innovation but also a social reality necessitating a comprehensive regulatory response. E-commerce undermines traditional concepts of transactions, including the identification of legal entities, the geographical context of transactions, and the means of evidence. E-commerce establishes a virtual legal connection in which consumers and corporate entities do not engage in physical interaction and communicate only via electronic means. This poses a significant challenge to consumer protection initiatives, since several elements of trust, openness, and legal clarity become indistinct.<sup>12</sup> Despite the convenience and efficiency provided by e-commerce, there are significant legal and societal hazards that have escalated dramatically, particularly concerning the safeguarding of consumer rights. Consumers encounter several issues, including substandard quality of products or services, delivery delays, lack of complaint mechanisms, and severe infractions such as personal data

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<sup>10</sup> Budi Endarto et al., "Global perspective on capital market law development in Indonesia," *Journal of Management Information and Decision Sciences* 24, no. 1 (2021).

<sup>11</sup> Edy Santoso, "Opportunities and challenges: e-commerce in Indonesia from a legal perspective," *Journal of De Jure Legal Research* 22, no. 3 (2022): 395–410.

<sup>12</sup> Iftinaity Shaumi Rahma et al., "Indonesian Legal Protection for Consumers on the Validity of Electronic Contracts in the E-Commerce Transactions," *Juridical* 37, no. 3 (2022): 697–714.

theft, abuse of payment methods, and evasion of accountability by anonymous corporate entities.

Administrative penalties fundamentally arise from the notion of accountable government. In the realm of state administrative law, administrative penalties are an expression of the attributive or delegative power conferred upon state administrative entities or officials to maintain public order and safeguard the public interest. It is non-judicial, indicating that it may be enforced without court proceedings, hence providing expediency and efficiency in its execution. Consequently, in a rapidly evolving digital landscape, the use of administrative punishments is anticipated to be an effective measure for addressing consumer infractions that need prompt intervention. Under Indonesia's legal framework, the normative foundation for administrative sanctions against corporate entities is established under Law Number 8 of 1999 on Consumer Protection (UUPK). Article 60 of the UUPK delineates various forms of administrative sanctions applicable to business entities that contravene consumer protection regulations, including: written warnings, temporary cessation of business operations, directives to withdraw products from the market, and revocation of business licenses. Furthermore, the enactment of legislation such as Government Regulation Number 80 of 2019 regarding Trade Through Electronic Systems (PMSE) broadens the scope of oversight and penalties for digital commercial entities, including international operators targeting customers in Indonesia.

From a substantive viewpoint, the UUPK as a consumer protection legal framework remains structured within the parameters of traditional transactions. The normative assumptions of the UUPK assume a distinct and recognized connection between customers and corporate entities. In digital transactions, the identities of commercial entities are sometimes indeterminate, physical addresses are often absent, and customers lack effective avenues for redress. This renders the imposition of administrative punishments in e-commerce akin to discharging firearms without a defined objective. The normative issue that requires additional investigation is located here.

This issue becomes very intricate when linked to the policy implementation dimension. Various governmental entities, including the Ministry of Trade, the Ministry of Communication and Informatics, and the National Consumer Protection Agency (BPKN), fulfill distinct functions in the regulation, oversight, and enforcement against digital business operators. Nonetheless, the coordination among these agencies has been suboptimal, often

resulting in overlapping jurisdictions and protracted case resolution. The lack of a cohesive digital monitoring system renders the identification and enforcement against noncompliant businesses heavily reliant on customer complaints, which are often not addressed with due diligence.<sup>13</sup>

Critique of the efficacy of administrative punishments in e-commerce does not imply a rejection of the significance of this mechanism. The argument highlights the need to revise the legal structure to better accommodate the digital age. The state must establish a regulatory framework capable of anticipating technology developments and engaging digital corporate entities across boundaries. This can be achieved by instituting new standards that specifically govern the safeguarding of digital consumers, which include revising the registration and verification processes for digital enterprises, mandating the reporting of digital economic activities, and implementing technology-driven cross-sector oversight systems.

These updated procedures must also be integrated with artificial intelligence and big data technologies to identify any infractions in real time. The creation of a dedicated digital authority with a defined purpose to regulate e-commerce and enforce administrative punishments independently and professionally warrants consideration. In the long run, enhancing the legal capability of digital administration would facilitate the realization of a contemporary legal state that is not only repressive but also preventative, responsive, and inclusive in fostering the growth of the digital society. The efficacy of administrative punishments for digital consumer protection is intrinsically linked to institutional architecture, adaptable legal frameworks, and technology-driven law enforcement techniques. The e-commerce dilemma necessitates a strategy that is both normative and strategically systemic. The state must function not just as a regulator but also as an active facilitator and overseer, ensuring the protection of consumer rights amidst every technological advancement.

## **NORMATIVE AND INSTITUTIONAL OBSTACLES IN THE ENFORCEMENT OF ADMINISTRATIVE SANCTIONS AGAINST E-COMMERCE BUSINESS ACTORS AND THEIR REFORM ALTERNATIVES**

The imposition of administrative fines on e-commerce operators in Indonesia is intrinsically linked to conceptual difficulties that illustrate the interplay between law and societal transformation resulting from the digital revolution. In contemporary legal theory,

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<sup>13</sup> Trias Palupi Kurnianingrum, "THE URGENCY OF CONSUMER PERSONAL DATA PROTECTION IN THE DIGITAL ECONOMY ERA," *Study* 25, no. 3 (April 16, 2023): 197–216, <https://doi.org/10.22212/kajian.v25i3.3893>.

law enforcement transcends the mechanical application of rules; it is an intersubjective process including normative frameworks, institutions, and evolving social circumstances. The efficacy of administrative punishments is not only a legal technicality, but is also intricately linked to the alignment between the legal framework and the factual reality it reflects. In e-commerce, the legal connection between customers and businesses has been deconstructed, marked by a transition from physical to virtual interactions, local to international engagement, and authoritative structures to intricate networked networks. This change necessitates a rethinking of the legal tools used, particularly administrative punishments, to maintain relevance and efficacy in guaranteeing legal clarity and justice.

Administrative penalties are a contemporary tool of the administrative state, derived from the principles of state administrative law. It signifies the state's regulatory power to interfere in communal affairs to avert broader losses and uphold social order. Within the framework of a regulatory state, administrative penalties serve as a flexible, efficient, and preventative control mechanism, distinct from the coercive nature of criminal sanctions. Nonetheless, the normative framework of administrative punishments under the Indonesian Consumer Protection Law remains grounded on traditional legal relationships, resulting in theoretical challenges when implemented in the digital domain. The lack of regulations governing the enforcement of administrative penalties against cross-jurisdictional, unregistered, or anonymous corporate entities on digital platforms indicates that legal norms have not adequately adapted to the sociotechnological transition that has transpired.<sup>14</sup>

From a normative perspective, Law Number 8 of 1999 for Consumer Protection (UUPK) continues to embrace a traditional transaction paradigm that is tangible, direct, and grounded in national jurisdiction. The articles of the UUPK do not expressly differentiate or particularly govern the protection of digital consumers. Article 60 of the UUPK, which governs administrative sanctions, lacks technical standards for implementation in the digital domain, does not establish a mechanism for addressing cross-border e-commerce entities, fails to outline procedures for monitoring anonymous platforms, and does not clarify the relationship between the digital licensing system and the authority responsible for sanction enforcement. This normative gap leads to legal ambiguity in the enforcement of

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<sup>14</sup> Heli Korkka-Knuts, Eelis Paukku, and Jaakko Markus, "Reassessing Deterrence: The Effectiveness of Administrative Sanctions across Three EU Regulatory Frameworks," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, March 2, 2025), <https://doi.org/10.2139/ssrn.5169603>.

administrative penalties against digital enterprises, particularly those operating beyond Indonesian jurisdiction.<sup>15</sup>

Furthermore, the UUPK lacks comprehensive stipulations regarding the coordination of administrative sanctions with other sectoral regulations, including Government Regulation Number 80 of 2019 on Trade through Electronic Systems (PMSE) and Law Number 11 of 2008 on Information and Electronic Transactions (ITE). This breakdown results in overlapping standards and regulatory fragmentation, enabling e-commerce participants to exploit legal gaps by transitioning between platforms inadequately monitored by a single authority. Consequently, legal safeguards for digital consumers are rendered limited and reactive, rather than comprehensive and proactive.

From an institutional standpoint, the primary impediment is the inadequate structural and operational capabilities of regulatory bodies, including the Ministry of Trade, the National Consumer Protection Agency (BPKN), and regional Trade Offices. These institutions often lack sufficient tools, technology, or personnel to perform efficient digital monitoring.<sup>16</sup> In several instances, these authorities just accept complaints and engage in mediation procedures or issue warning letters, which are non-binding and less forceful. When commercial entities are absent from the national licensing database or use foreign servers, the regulatory agency becomes legally and technically incapacitated.

The ambiguity of authority is also an issue. Who can annul the business licenses of e-commerce entities operating in foreign markets while targeting Indonesian consumers? Is it the Ministry of Communication and Information Technology, the Ministry of Home Affairs, or other regulatory bodies overseeing internet commerce? This uncertainty indicates a lack of a clear delineation of power across institutions, resulting in institutional disputes or the evasion of obligations. Consequently, several instances of consumer rights infringements in e-commerce lack adequate legal redress due to the absence of a completely accountable institution.

A notable institutional shortcoming is the lack of an integrated information system between central and regional governments, which hinders real-time detection and oversight of digital business activity. Indeed, in the digital realm, the velocity and precision of data are

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<sup>15</sup> Ridwan Arifin et al., "Protecting the Consumer Rights in the Digital Economic Era: Future Challenges in Indonesia," *Jambura Law Review* 3, no. 0 (April 30, 2021): 135–60, <https://doi.org/10.33756/jlr.v3i0.9635>.

<sup>16</sup> Yuyut Prayuti, "The Dynamics of Consumer Legal Protection in the Digital Era: Legal Analysis of E-Commerce Practices and Consumer Data Protection in Indonesia," *Journal of Legal Interpretation* 5, no. 1 (January 12, 2024): 903–13, <https://doi.org/10.22225/juinhum.5.1.8482.903-913>.

crucial in executing administrative decisions. Under such circumstances, the efficacy of administrative penalties as a preventative and remedial mechanism diminishes, as commercial entities may readily circumvent oversight or vanish after infractions.

Comprehensive legal reconstruction and technology-driven institutional transformation are necessary alternatives to address these normative and institutional impediments. Normative change may begin by amending the UUPK to specifically safeguard digital consumers. This includes the control of administrative penalties via electronic systems, the need for foreign commercial entities to designate legal representatives in Indonesia, and the enhancement of extraterritorial standards for transnational economic operators. Furthermore, it is essential to establish a specialized legislation on digital consumer protection (*lex specialis*), given the intricacies of e-commerce that cannot be adequately addressed by general regulations.<sup>17</sup>

It is essential to create an autonomous, flexible, and technology-driven digital regulatory body from an institutional standpoint. This agency should possess the comprehensive ability to register, verify, oversee, and levy administrative penalties on e-commerce operators, both local and international. This institution must be equipped with artificial intelligence monitoring technologies and big data analytics tools to identify infractions swiftly and correctly. In the long term, the integration of the supervisory information system between central and regional governments via the national dashboard for digital commerce supervision must be advanced to ensure that administrative punishments are substantive rather than just symbolic.

Additionally, changes must address the dimension of international collaboration. Indonesia must promote the establishment of bilateral and international forums to facilitate data interchange, cross-border monitoring of digital business entities, and the harmonization of digital consumer protection norms. In the absence of global synergy, the implementation of administrative laws in e-commerce would perpetually conflict with the authority and sovereignty of other nations. Consequently, the normative and institutional impediments hindering the efficacy of administrative sanctions against e-commerce operators can be mitigated through synergistic, contemporary, and proactive strategies for legal reform and institutional enhancement. The state must not only establish contemporary regulations but

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<sup>17</sup> "Juridical Analysis of Consumer Protection in E-Commerce in Indonesia: A Juridical-Normative Approach | Hakim: Journal of Law and Social Sciences," accessed May 25, 2025, <https://journal.stekom.ac.id/index.php/Hakim/article/view/2204>.

also develop institutional governance capable of swiftly, equitably, and sustainably enforcing rules to safeguard the rights of digital consumers in an increasingly complex and cross-border economic ecosystem.

## CONCLUSION

The efficacy of enforcing administrative fines on e-commerce operators in Indonesia continues to encounter several normative and structural challenges. Existing rules and regulations, particularly the Consumer Protection Law, have not adequately addressed the complexities of cross-border, anonymous digital transactions occurring in a virtual domain outside the reach of national governments. The absence of regulations governing the electronic implementation of administrative punishments and the lack of requirements for international commercial entities to comply with national legal authorities pose significant hurdles to achieving adaptive legal protection. From an institutional standpoint, the lack of a single body with comprehensive oversight and prosecutorial power over digital business entities, coupled with inadequate inter-agency cooperation, results in the execution of administrative punishments lacking coercive efficacy and seeming mostly symbolic. Consequently, extensive legal reform is essential, encompassing the creation of new *lex specialis* regulations for the safeguarding of digital consumers and the establishment of technology-driven authoritative bodies with a definitive mandate to oversee and impose administrative penalties on e-commerce operators, including those located overseas. These measures need cross-sectoral synergy and international collaboration to surmount jurisdictional obstacles in a borderless digital landscape. The implementation of administrative penalties may be enhanced as a tool of the contemporary legal state to guarantee justice and legal certainty for consumers in the e-commerce age via a comprehensive and adaptive approach to evolving circumstances.

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