

The Consumer Rights Protection in International Digital Transactions: RCEP Implications for Indonesian Law

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ABSTRACT

The RCEP agreement was ratified by the Indonesian Parliament on August 30, 2022, covering aspects such as e-commerce and consumer protection in digital transactions. However, its implementation raises issues regarding the protection of consumer personal data and dispute resolution between parties, especially in the appointment of panels. Although Indonesian law has provisions for personal data protection, the institution responsible for supervising and handling cases has not yet been established. Additionally, the appointment of panels for dispute resolution is unclear, which may lead to future problems. While there is existing consumer protection legislation, it is outdated and not suitable for the digital era. This article aims to analyze those challenges using a normative legal research method with a statutory and conceptual approach. The findings highlight the urgency of institutional establishment and legal updates to ensure legal certainty and fairness. The government needs to take an active role in protecting consumers by establishing a personal data protection agency, requesting the establishment of an RCEP Dispute Settlement Secretariat for clarity in panel appointments, and updating the Consumer Protection Law to address digitalization. These steps are essential for safeguarding the people of Indonesia.

Keywords: Consumer; Data; Digital; Dispute Resolution; Protection.

Introduction

The development of information and communication technology has significantly changed the global trade landscape. Cross-border digital transactions are now commonplace, allowing consumers to purchase products and services from sellers across the globe with ease.¹ However, this convenience also brings new challenges in terms of consumer rights protection, especially when dealing with different jurisdictions and legal systems between countries.

In the middle of the rapid growth of international e-commerce, Indonesia as one of the countries with the largest population of internet users in the world, faces an urgency to strengthen the legal framework for consumer protection in the digital realm. This becomes

¹ Sinta Dewi Rosadi, *Perlindungan Privasi dan Data Pribadi Dalam Era Ekonomi Digital di Indonesia*, Vol. 4, Nomor 1 (2018): 88-110.

even more crucial with the enactment of the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement involving ten ASEAN member countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam) and six partner countries (China, Japan, South Korea, Australia, New Zealand and India).²

RCEP, which came into effect in 2022, aims to facilitate trade and investment among its member countries. This agreement covers various aspects, including e-commerce and consumer protection in digital transactions. However, its implementation raises questions on how Indonesia can protect its consumers' rights within a broader free trade context.³

Consumer protection law in Indonesia, which is mainly regulated in Law No. 8 of 1999 concerning Consumer Protection, has basically provided a strong foundation for protecting consumer rights. However, this law was made long before the era of e-commerce and cross-border digital transactions became as dominant as they are today.⁴ Consequently, there are regulation gaps that need to be resolved to respond the new challenges of consumer protection in the digital era.

One crucial aspect that needs to be considered is the mechanism for resolving consumer disputes in international digital transactions. Existing systems, such as the Consumer Dispute Resolution Agency (BPSK), may face limitations in handling cases involving foreign sellers. Therefore, a new approach is needed to consider the complexity of cross-border transactions and the RCEP framework.⁵

Furthermore, the issue of data privacy and consumer information security in digital transactions is also a concern. With the increasing volume of data exchange between RCEP member countries, Indonesia needs to ensure that the consumer personal data protection standards are maintained, even when dealing with regulations that may be different in trading partner countries.⁶

This article will examine the implications of RCEP on the protection of Indonesian consumer rights in the context of international digital transactions. The analysis will focus on

² Hikmahanto Juwana, *Tantangan Hukum Indonesia Menghadapi RCEP*, Jurnal Hukum & Pembangunan 50, no. 2 (2020): 412-431.

³ Ahmad M. Ramli, *Perlindungan Hukum Dalam Transaksi E-Commerce Lintas Negara di Indonesia*, Jurnal Ilmu Hukum 3, no. 2 (2019): 285-301.

⁴ Ahmadi Miru dan Sutarman Yodo, 2015, *Hukum Perlindungan Konsumen*, Jakarta, Rajawali Pers.

⁵ Susanti Adi Nugroho, 2018, *Proses Penyelesaian Sengketa Konsumen Ditinjau dari Hukum Acara serta Kendala Implementasinya*, Jakarta, Kencana

⁶ Danrivanto Budhijanto, 2021, *Revolusi Cyberlaw Indonesia: Pembaharuan dan Revisi UU ITE 2016*, Bandung, Refika Aditama

how Indonesia's current legal framework particularly the Consumer Protection Law and the Personal Data Protection Law accommodates or falls short of the obligations set forth in the RCEP. It further aims to provide recommendations on how Indonesia can better align its regulations and institutions with RCEP commitments. Through this discussion, a more comprehensive understanding is expected regarding the challenges and opportunities in protecting Indonesian consumer rights in the RCEP era.

Method

This study uses a normative legal research method with a statutory and conceptual approach. The analysis is conducted by examining legal norms in international agreements, particularly the Regional Comprehensive Economic Partnership (RCEP), and their implications for Indonesian consumer protection law. The study also refers to relevant national regulations, such as Law No. 8 of 1999 concerning Consumer Protection and Law No. 27 of 2022 concerning Personal Data Protection. Legal materials were analyzed qualitatively to identify gaps, challenges, and recommendations for strengthening consumer rights in cross-border digital transactions.

Results and Analysis

A. Implications of RCEP on Consumer Protection in International Digital Transactions

The Regional Comprehensive Economic Partnership (RCEP) is the world's largest free trade agreement covering around 30% of global GDP and world population.⁷ For Indonesia, as one of the member countries, RCEP brings significant implications to various economic sectors, including consumer protection in international digital transactions. The agreement not only aims to facilitate trade and investment, but also sets new standards for e-commerce and consumer protection in the digital era.

One of the key aspects of RCEP is its recognition of the importance of consumer protection in the digital environment. The e-commerce chapter in RCEP explicitly mentions the commitment of member states to adopt or maintain laws that protect consumers from harmful or misleading practices in commerce transactions.⁸ This provides

⁷ Kementerian Perdagangan Republik Indonesia, 2022, *Handbook of Regional Comprehensive Economic Partnership (RCEP) Agreement*, Jakarta, Kementerian Perdagangan RI

⁸ Sinta Dewi Rosadi dan Zahra Tahira, *Perlindungan Konsumen di Era Perdagangan Digital Dalam Kerangka Regional Comprehensive Economic Partnership*, Jurnal Hukum Ius Quia Iustum 28, no. 2 (2021): 395-414.

a strong legal foundation for Indonesia to strengthen its consumer protection framework, especially in the context of international digital transactions.

The implementation of RCEP also has the potential to encourage harmonization of consumer protection regulations among member countries. With the common standards agreed in the agreement, Indonesia is required to harmonize its laws and regulations. This can help update consumer protection law in Indonesia, especially in aspects related to cross-border digital transactions.⁹

RCEP also highlights the importance of consumer data protection in digital transactions. This agreement requires member countries to have a legal framework that protects the personal data of e-commerce users.¹⁰ For Indonesia, it means there is a need to strengthen the implementation of the recently enacted Personal Data Protection Act and to ensure that the protections offered are in line with the standards set by RCEP.

In the context of consumer dispute resolution, RCEP encourages the development of alternative dispute resolution mechanisms, including online dispute resolution. This opens opportunities for Indonesia to develop a more efficient and effective dispute resolution system, especially for international digital transactions that often involve different jurisdictions.¹¹

RCEP also implies increased transparency and information access for consumers. This agreement requires member states to publish online all laws, regulations, and procedures related to e-commerce.¹² For Indonesian consumers, this means better access to information about their rights and applicable regulations in international digital transactions.

Additionally, RCEP encourages cooperation between consumer protection authorities in member countries. This opens opportunities for Indonesia's National Consumer Protection Agency (BPKN) to collaborate with similar institutions in other RCEP countries, facilitating the exchange of information and best practices in handling international consumer protection cases.¹³

⁹ Ahmad M. Ramli, *Dinamika Konvergensi Hukum Telematika Dalam Sistem Hukum Nasional*, Jurnal Legislasi Indonesia 5, no. 4 (2008): 1-10.

¹⁰ Danrivanto Budhijanto, op.cit, hlm.

¹¹ Efa Laela Fakhriah, *Mekanisme Small Claim Court dalam Mewujudkan Tercapainya Peradilan Sederhana, Cepat, dan Biaya Ringan*, Mimbar Hukum 25, no. 2 (2013): 258-270.

¹² Badan Pembinaan Hukum Nasional, 2020, *Analisis dan Evaluasi Hukum dalam Rangka Perlindungan Konsumen Dalam Transaksi Perdagangan Melalui Sistem Elektronik*, Jakarta, BPHN Kemenkumham

¹³ Shidarta, 2020, *Hukum Perlindungan Konsumen Indonesia*, Jakarta, Grasindo

The implementation of RCEP also has the potential to improve cybersecurity standards in digital transactions. This agreement encourages member countries to adopt and maintain comprehensive measures related to cybersecurity, which in turn will enhance consumer protection from online security threats.¹⁴

However, it should be noted that RCEP also presents challenges in its implementation. Some of the main challenges faced by Indonesia in adopting RCEP standards for consumer protection in international digital transactions include:

1. Harmonization of regulations with other RCEP countries
2. Increasing the capacity of law enforcement in handling cross-border cases
3. Developing digital infrastructure that supports secure international transactions
4. Educating consumers about their rights in the context of RCEP
5. Strengthening cross-border dispute resolution mechanisms
6. Adapting to new technological developments in e-commerce

Although RCEP brings various positive implications for consumer protection in international digital transactions, its effectiveness will largely depend on its national-level implementation. Indonesia needs to take proactive steps to maximize RCEP's benefits while mitigating potential risks that may arise for consumers in the increasingly integrated digital trade era.¹⁵

B. Analysis of Indonesian Consumer Protection Law in the RCEP Era

The RCEP Agreement regulates aspects of consumer protection in Article 13.7. This regulation follows the general principle of *pacta sunt servanda*, where each side must uphold its obligations. Article 13.7 paragraph 4 of the RCEP Agreement states that participants may collaborate in terms of consumer protection in accordance with their respective national regulations.¹⁶ The consumer protection aspect is also regulated in Article 12.7, Chapter 12 of the RCEP Agreement on Electronic Commerce, which requires each party to maintain laws and regulations to ensure consumer protection.¹⁷

Indonesia's Law No. 8/1999 concerning Consumer Protection specifically addresses the protection of consumer rights. However, this law does not have specific provisions for

¹⁴ Josua Sitompul, 2021, *Cyberspace, Cybercrimes, Cyberlaw: Tinjauan Aspek Hukum Pidana*, Jakarta, Tatanusa

¹⁵ Cita Yustisia Serfiyani, 2020, *Perlindungan Hukum dan Penyelesaian Sengketa Bisnis Internasional*, Bandung, Refika Aditama,

¹⁶ Free Trade Agreement Center, Dokumen Perjanjian Regional Comprehensive Economic Partnership Agreement (RCEP), Bab 13, Pasal 13.7 ayat 4.

¹⁷ Op.cit, Bab 12, Pasal 12.7.

consumer protection in digital transactions. The regulation of digital transactions is covered in Government Regulation No. 80/2019 concerning Electronic Commerce, which is a follow-up to Law No. 7/2014 concerning Trade. This regulation discusses consumer protection related to personal data in Chapter XI, Article 59. However, the personal data protection provisions in this regulation are considered inadequate, so there is a need for a specific regulation on personal data protection.

In terms of consumer protection in the digital world, especially in the aspect of personal data, the government has issued Law No. 27 of 2022 concerning Personal Data Protection. Article 38 of the Law states that every person, public institution, and international organization, hereafter referred to as the Personal Data Controller, must protect personal data from unauthorized processing.¹⁸ The prevention of personal data from being accessed unlawfully is also regulated in the next article, namely article 39.¹⁹

Administrative sanctions are applied for violations of Articles 38 and 39 of Law No. 27 of 2022, which include: (1) Written warning; (2) Temporary suspension of personal data processing activities; (3) Deletion or destruction of personal data; and/or (4) Administrative fines. The imposition of administrative sanctions in the form of administrative fines as referred to in paragraph (2) letter (d) is at a maximum of 2 (two) percent of the annual revenue or annual revenue for the violation variable. As well as the imposition of administrative sanctions as referred to in paragraph (2) is given by the institution.²⁰

The government, through an institution appointed by the President, plays a vital role in implementing personal data protection. This institution is at least authorized to:

1. Formulate and establish policies and strategies for Personal Data Protection, which serve as a guide for Personal Data Subjects, Personal Data Controllers, and Personal Data Processors;
2. Supervise the implementation of Personal Data Protection;
3. Enforce administrative law on violations of this law; and
4. Facilitate dispute resolution outside of court

¹⁸ Pasal 38 Undang-Undang Nomor 27 Tahun 2022 Tentang Perlindungan Data Pribadi.

¹⁹ Pasal 39 ayat (1) Undang-Undang Nomor 27 Tahun 2022 Tentang Perlindungan Data Pribadi.

²⁰ Pasal 57 ayat (2) Undang-Undang Nomor 27 Tahun 2022 Tentang Perlindungan Data Pribadi.

The implementation of Chapter IX on institutional frameworks emphasizes the urgency of establishing a specialized institution, appointed by the President, for Personal Data Protection. However, since the law was enacted in 2022, this Personal Data Protection Institution has yet to be established. This delay raises concerns, especially considering the RCEP Agreement, which highlights the importance of this institution in cooperating with other countries' data protection bodies for cross-border personal data protection violations, as outlined in Article 60, point (e).

In aligned with the provisions of the RCEP agreement, Article 13.7 paragraph 4 of Law No. 27 of 2022 has regulated international cooperation which is stated in Article 62 paragraph 1. International cooperation is carried out by the Government of Indonesia with other governments or international organizations related to Personal Data Protection. This provision is actually in line with the purpose of the RCEP agreement, but unfortunately the institution that can accommodate such cooperation has not been established so that international cooperation in terms of personal data protection has not been optimized.

Besides consumer protection in the digital realm concerning personal data protection, consumer protection can also be seen from the aspect of dispute resolution among participants. Chapter 19 of the RCEP Agreement outlines Dispute Settlement mechanisms, describing methods for resolving disputes arising from unfulfilled agreements between parties. The objectives of the RCEP dispute resolution mechanism include:²¹

1. Resolving disputes that may arise concerning the implementation of the RCEP Agreement;
2. Securing compliance with the obligations and commitments of the RCEP Agreement;
3. Maintaining a balance of rights and obligations of the parties under the RCEP Agreement;
4. Preventing unilateral actions by parties that may arise from actions of other parties to fulfill obligations under the RCEP Agreement;
5. Ensuring the removal of measures inconsistent with the provisions of the RCEP Agreement; and
6. Supporting the implementation of the RCEP with certainty and predictability.

²¹ Koalisi Masyarakat Sipil Untuk Keadilan Ekonomi, 2021, *Catatan Kritis Masyarakat Sipil Terhadap Perjanjian RCEP*, Jakarta, Indonesia for Global Justice, hlm. 67.

The choice of forum mechanism, as stated in Article 19.5 of the RCEP, allows participants to select dispute resolution through courts, consultations, mediation, or the formation of a panel for arbitration.

A significant issue in dispute resolution among parties is the ambiguity surrounding the panel appointment mechanism in the RCEP Dispute Settlement. Unlike the WTO, where panel formation is handled by the WTO Dispute Settlement Institution (DSB) and ASEAN EDSM (Enhanced Dispute Settlement Mechanism) by SEOM (Senior Economic Officials Meeting), the RCEP allows participants to appoint panelists. If the appointment is unresolved, the WTO Director-General and the PCA Secretary-General may form the panel.²²

The absence of a clear formation mechanism could become a critical issue in RCEP dispute resolution. Without a standardized and impartial method for appointing panelists, there is a risk that dispute resolution processes may be influenced by power imbalances between member countries. This ambiguity opens the door for stronger states to dominate the process or delay panel formation, potentially undermining fairness and legal certainty. In contrast, institutions like the WTO have a formalized Dispute Settlement Body (DSB) that ensures neutrality in panel appointments, thereby safeguarding the interests of all members, including developing countries. The lack of such clarity in the RCEP framework may discourage smaller or less powerful countries from bringing disputes forward due to fear of bias or ineffective enforcement.

According to Article 19.5 of the RCEP, participants can choose their dispute resolution methods. Indonesia's positive law also accommodates dispute resolution mechanisms that participants may use. Law No. 8 of 1999 concerning Consumer Protection, as the legal foundation for consumer protection, regulates dispute resolution options available to parties. Chapter X on Dispute Resolution allows parties to choose either litigation or non-litigation options.²³ Litigation involves resolving disputes in court, while non-litigation options provide alternative dispute resolution mechanisms such as mediation, consultation, conciliation, and arbitration.

²² Koalisi Masyarakat Sipil Untuk Keadilan Ekonomi, Catatan Kritis Masyarakat Sipil Terhadap Perjanjian RCEP, hlm. 72.

²³ Pasal 27 dan 28 Undang-Undang Nomor 8 Tahun 1999 Tentang Perlindungan Konsumen

The Consumer Protection Law also specifies the Consumer Dispute Settlement Institution (BPSK) regarding dispute resolution through non-litigation mechanisms. There is also the Indonesian National Arbitration Board (BANI) as an independent institution that can be chosen by the parties as a place for dispute resolution.

In line with the Consumer Protection Law that regulates the dispute resolution mechanism of the parties, Law No. 27 of 2022 concerning Personal Data Protection also regulates the dispute resolution mechanism. In Chapter XII on Dispute Resolution and Procedural Law, Article 64 paragraph 1 explains that dispute resolution for personal data protection can be done through arbitration, court, or other alternative dispute resolution institutions.

In accommodating the RCEP agreement, positive law in Indonesia has actually regulated the mechanism that can be carried out and chosen by the parties. There is a common thread regarding the regulation of dispute resolution mechanisms in the Consumer Protection Law and Personal Data Protection Law where the parties can choose either through court, arbitration, and other alternative dispute resolution. However, the problem is the unclear issue regarding which authority has the right to determine the panel.

To respond adequately to RCEP's requirements, it is essential to examine whether Indonesia's domestic regulations have sufficiently accommodated these obligations. As previously discussed, RCEP obligates its members to adopt and maintain legal frameworks ensuring consumer protection in digital transactions, including safeguards for personal data and effective dispute resolution mechanisms. Indonesia has made progress through the enactment of the Personal Data Protection Law No. 27/2022. This law aligns with the RCEP mandate to protect consumers' personal data in digital environments. However, a critical gap remains: the absence of an independent supervisory institution tasked with enforcing this law. As per Article 58 to 60 of Law No. 27/2022, such an institution must be established by presidential decree, yet until now, no concrete steps have been taken. This vacuum undermines Indonesia's ability to comply with Article 13.7 of the RCEP, which encourages cross-border cooperation among consumer protection authorities.

In the area of dispute resolution, although Law No. 8 of 1999 and Law No. 27 of 2022 allow for arbitration and other alternative mechanisms, Indonesia does not yet have a clear authority or designated body responsible for panel appointments under RCEP. This contrasts with more structured models such as the WTO's DSB. Without such clarity, the

mechanism may favor dominant countries in bilateral or regional disputes, placing Indonesia at a strategic disadvantage.

Therefore, the author argues that Indonesia's current legal framework only partially complies with RCEP commitments. More than just enacting laws, effective institutional implementation is crucial. The government must immediately operationalize the PDP supervisory authority, amend the Consumer Protection Law to address digital transactions explicitly, and initiate the establishment of an RCEP-specific dispute resolution coordination office potentially under the Ministry of Trade or BPKN.

These measures are not only necessary for legal compliance but also to protect Indonesian consumers from potential harms arising in cross-border digital transactions and to ensure that Indonesia plays a proactive and leading role within the RCEP framework.

C. Strengthening Consumer Protection in RCEP Framework

The approval by the House of Representatives of the RCEP Bill into law at the Plenary Meeting of the House of Representatives (DPR) on August 30, 2022, made Indonesia officially ratify the RCEP Agreement which was signed by the Government of Indonesia on November 15, 2020. There are problems arising from this RCEP agreement, namely related to how consumer protection in the digital world is related to the protection of consumer personal data and related to how the dispute resolution process can be carried out by the parties due to its uncertainty in the appointment of the panel. For this reason, there must be strengthening from the regulatory aspect.

The legal basis for consumer protection is found in Law Number 8 of 1999 concerning consumer protection. If you look at the year the law was issued, then the renewal of the regulation of consumer protection law must be enforced. Because the legal basis for consumer protection has not regulated how consumer protection in the digital world (e-commerce). Therefore, reforming and strengthening regulations related to consumer protection is needed.

The government, in this case the president, has actually issued Presidential Regulation Number 49 of 2024 concerning the National Strategy (STRANAS) for Consumer Protection which aims to provide policy direction and strategies, accelerate the implementation of consumer protection in priority sectors, encourage increased consumer

empowerment, and support the strengthening of domestic demand in order to achieve quality and equitable economic growth.²⁴

In STRANAS-Consumer Protection, there are 9 priority sectors, one of which is the e-commerce sector. The e-commerce sector itself is one of the tasks for the government, because in the 2017-2019 STRANAS-Consumer Protection there are still target indicators that have not been achieved.

NO	Target Indicators	(PIC)	Target 2019	Notification (Achieved/Not)
1	Organizers of trade transactions through electronic systems (TPMSE) that are registered have <i>escrow</i> accounts to ensure conformity between the specifications of the goods offered and those received by consumers.	Ministry of Trade	100%	Not achieved
2	TPMSE organizer has certified the reliability of electronic transaction system	Ministry of Communication and Information	100%	Not achieved
3	Strengthening payment system consumer protection, including TPMSE	Bank Indonesia	100%	Achieved
4	Registered TPMSE operators have a system/mechanism for handling consumer complaints	Ministry of Trade	100%	Not assessable

Table. Indicators, Targets and Achievements of e-Commerce Sector in Stranas for Consumer Protection ²⁵

From the 4 indicators, only 1 indicator achieved the target, 1 indicator did not achieve the target, and 2 indicators could not be assessed. The two indicators that could not be assessed were due to the fact that during that period, the draft government regulation concerning TPMSE had not yet been enacted, so there was no legal umbrella. Unfortunately, from the existing indicators to strengthen the consumer protection sector in e-commerce, the personal data protection sector is not included in one of the indicators. Moreover, in July

²⁴ Pasal 2 PP 49 2022

²⁵ Kementrian Perencanaan Pembangunan Nasional/Badan Perencanaan Pembangunan Nasional, *Laporan Evaluasi Strategi Nasional Perlindungan Konsumen Tahun 2017-2019*, hlm. 49-50.

2023, the Ministry of Communication and Informatics stated that there was a leak of personal data of Indonesian citizens managed by them. This is questionable because with the RCEP agreement, the aspect of protecting consumer personal data should be one of the main concerns, because it is the government's responsibility to protect each of its people, including their personal data so that it is not misused.

Meanwhile, in STRANAS-Consumer Protection 2024 in the aspect of e-commerce, the government only focuses on the Business License for Trading Through Electronic Systems (SIUPMSE) which must be owned by every Trading Through Electronic Systems Operator (PPMSE). Just like STRANAS 2017-2019, STRANAS 2024 also does not focus on consumer protection in e-commerce in terms of personal data protection. Furthermore, regarding specific institutions in terms of law enforcement regarding personal data protection. Based on the mandate of the Personal Data Protection Law (UU PDP) Number 27 of 2022 articles 58-60, the Government, in this case the President, must immediately establish a specific institution or authority related to the enforcement and handling of personal data protection cases. Because enforcement, supervision, and sanctions can only be carried out by a specific institution established by the President. So that this law will only be a display if the institution is not immediately formed.

The specific institution for personal data protection is also in line with the ratification of the RCEP agreement by the DPR. Article 13.7 paragraph 4 of the RCEP agreement explains that the parties can cooperate on consumer protection based on the regulations in their respective countries. The need for this institution is even more crucial because Indonesian law states that only specialized data protection institutions can enforce, supervise, and impose sanctions. If there are cases of consumer personal data being misused, there will be a legal vacuum in Indonesia.

The last issue in this RCEP agreement is the dispute settlement between the parties. In the RCEP agreement, the parties can determine their own dispute resolution efforts as long as they do not conflict with the laws in their respective countries. The problem is that there is no special institution that serves as an umbrella for dispute settlement between the parties. Therefore, the approach that is created when there is a special institution in charge of resolving disputes between the parties is a rule-based approach, not a power-based approach.

If RCEP allows the parties to determine the dispute settlement, it will create a problem where the more powerful country will determine the dispute settlement method. Therefore, the concept of power-based approach will arise there and fail to provide justice for the parties.

Reflecting on the experience of the WTO which was formerly called ITO (International Trade Organization) which was the result of the General Agreement on Trade and Tariff 1947 (GATT 1947) negotiations, the dispute settlement system at that time was not running optimally. The lack of optimality lies in the approach that uses the concept of power-based approach and the absence of uniformity in dispute settlement mechanisms as is now being applied to RCEP.²⁶ Because of this situation, the WTO finally established a special institution in charge of resolving disputes between the parties, namely the Disputes Settlement Institution (DSB) which refers to the dispute settlement system contained in the Understanding on Rules and Procedures of Disputes Settlement (DSU). With the DSU, the dispute settlement system becomes uniform and applies the concept of a rule-based approach.

At the WTO itself there are three main stages that can be chosen by the parties in resolving disputes. The dispute settlement procedures between the parties in the three main stages contained in the WTO are: (1) Consultation; (2) Panel; (3) Appellate Institution. In terms of panel formation, panel composition provisions have also been regulated in the DSU. To create fairness by eliminating the concept of power that can be exercised by developed countries over developing countries, article 8 paragraph 10 of the DSU states regarding the composition of the panel, it must contain at least one panelist from a developing country.²⁷

The failure of the WTO (formerly ITO) does not need to be repeated by RCEP. The freedom that was intended to provide flexibility for the parties to determine which dispute resolution will be used, is feared to be a boomerang for countries that are classified as developing countries if they have disputes with countries that are categorized as developed countries. Although in RCEP, if the dispute settlement between the parties has been conducted but not completed, it will be submitted to the Director General of the WTO and the Secretary General of the PCA, it would be better for RCEP members to establish a Dispute Settlement institution such as the DSB in the WTO.

²⁶ Maslihati Nur Hidayati, *Analisis Tentang Sistem Penyelesaian Sengketa WTO : Suatu Tinjauan Yuridis Formal*, Lex Jurnalica Volume 11 Nomor 2, Agustus 2014, hlm. 157.

²⁷ Ibid, hlm. 162.

Indonesia can be the initiator for RCEP member countries to have their own Dispute Settlement institution in order to provide a harmonized dispute settlement among RCEP members. The use of choice of forum method will only benefit countries that have greater power so that dispute settlement that aims to achieve a win win solution will never be realized.

Conclusion

The RCEP agreement provides opportunities and challenges for Indonesia in protecting consumer rights in the era of international digital trade. Opportunities include the potential for strengthening consumer protection regulations and improving consumer personal data security standards. However, there are also a number of key challenges, such as differences in consumer protection standards among member states, lack of clarity in dispute resolution mechanisms involving panel appointments, and institutional lacunae in implementing consumer personal data protection.

Indonesia needs to update its Consumer Protection Law to align with international e-commerce developments, as well as ensure the Personal Data Protection Law functions effectively through the establishment of a strong supervisory institution. In addition, concrete steps within the RCEP framework are needed to create a fair and uniform dispute resolution system, in order to provide legal certainty for Indonesian consumers in cross-border transactions. In the faces of these challenges, it is important for Indonesia to take proactive steps to capitalize on the opportunities presented by RCEP while minimizing risks to consumers. With institutional strengthening, regulatory harmonization, and commitment to consumer protection in the digital world, Indonesia can provide better protection and support consumer confidence in an increasingly integrated international trade.

This paper provides some important insights into the challenges and steps that Indonesia needs to take in protecting consumer rights in the digital era under the RCEP agreement. First, it is found that Indonesia's consumer protection regulation, currently governed by Law No. 8/1999, is inadequate to handle the complexity of international digital transactions. Updating this law is important to harmonize domestic regulations with the standards set out in RCEP, especially in the context of increasingly widespread cross-border transactions.

Second, this article highlights the urgency of establishing a personal data protection supervisory institution in accordance with the mandate of Law No. 27 of 2022 concerning

Personal Data Protection. This institution is needed to ensure consistent and effective supervision, especially in maintaining consumer privacy in cross-border transactions in a digital environment that is increasingly vulnerable to data breaches. Third, the unclear mechanism of panel appointment in dispute settlement in the RCEP framework is identified as a critical issue that can affect Indonesian consumer protection. Therefore, efforts are needed to encourage the establishment of a special institution, namely RCEP Dispute Settlement, so that the panel appointment becomes clearer so as to create fairness in dispute resolution for all parties. This new knowledge provides direction for Indonesia's policy update in facing consumer protection challenges in the digital era. The implementation of these measures is expected to reduce the risk of cross-border transactions and provide stronger legal certainty for consumers, as well as encourage Indonesia to take the lead in the RCEP cooperation framework in the area of consumer protection. Therefore, it is crucial for Indonesia not only to ratify international commitments like RCEP but also to ensure their full implementation through synchronized domestic regulations and effective institutions, so that consumer rights in the digital era are truly protected in practice.

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