P-ISSN: 2808-0467
E-ISSN: 2808-5051
Homepage: https://iss.internationaljournallabs.com/index.php/iss

LEGAL STUDY OF CONSUMER PROTECTION IN USING BLOCKCHAIN BASED ON GOVERNMENT LAW

Recca Ayu Hapsari[1], Dilmanta Sony Parsaoran Sinurat[2]
University of Bandar Lampung, Indonesia
[1]recca@ubl.ac.id [2]dilmanta.18211031@student.ubl.ac.id

PAPER INFO

Received:
November 2021
Revised:
December 2021
Approved:
December 2021

ABSTRACT

Background: One of the technologies that are considered to have good potential in the future, namely technology based on the use of Blockchain that can be used in banking, education or government. Therapid use of Blockchain-based technology requires a legal foundation as an effort to legally apply in Indonesia and as an effort to protect the law for the public or consumers who use the technology.
Aim: Normative juridical approach is to use related legislation and by reading related literature about the content of the problem.
Method: Includes the approach, design, data collection technique, and data analysis technique.
Findings: The only way to apply rules of Blockchain is through non-litigation but previously the parties must promote themselves in advance through pre-made agreements that are in accordance with applicable laws and regulations, settlement by non-litigation means can be through Arbitase, Consultation, Negotiation, Mediation of Blockchain-related laws that specifically have not legally regulated legal protection of users of Blockchain technology but non-litigation channels can be an option for those who feel harmed.

KEYWORDS *Legal studies, Blockchain legality, consumer protection*

INTRODUCTION

Indonesia as a legal state makes all applicable activities must have a clear legal basis as one form of legal protection or certainty for every Indonesian society (Prabowo, 2010). Currently one form of legal protection is not only in the field of social but there is also legal protection in the use of utilization in the field of technology that has developed so quickly in recent times.

Human life is very dependent on the existence of technology in the middle is something that cannot be separated from the daily life of society because technology is very helpful in solving every problem that exists, with technology and every business or work will be completed more quickly and practically, currently advances in the field of technology have a huge impact on the use of its use, one of which can be seen a shift. How to transact in conducting business activities in a more digitalized direction, of course, the development of technology must be followed by the advancement of human thinking patterns in creating and developing these technologies (Kurniawan, 2011).

One technology that is developing or talked about by many people lately is the existence of technology used for digital data storage, namely by using a technology called Blockchain technology. The use of Blockchain-based technology is currently unavoidable because it has enormous benefits and can be used both in banking, education and in other fields (Nugraha, 2020). Blockchain technology which is a system that can store various digital data that has

This work is licensed under CC BY-SA 4.0

several servers that are connected. Blockchain technology makes the data formed by a server will be easily recognized or fermented by several other servers.

Blockchain technology has great potential and has enormous benefits in the advancement in the field of digital-based assets, with these advances unconsciously facilitated to transact digitally with all the convenience and security that is so good compared to other technologies.

Blockchain technology was found as one to be able to support the progress of the times in the era of technology and information that can provide another alternative to find solutions using more capable technology, knowing Blockchain technology itself uses a concept based on decentralization of information during the process of processing, the data contained in the Blockchain itself will be stored permanently in the record of data that will be communicated in a true manner peer to peer in an internal network and collaborate actively.

It can be said that Blockchain technology is a technology called a ledger but the use of digital-based channels that is channeled if there is a cryptographically signed transaction activity that will then be reflected into a block, each block is connected cryptographically with a block hash, When a new block is successfully created from the mining process, the data on the previous block will be almost impossible to change or manipulate. The strong system on the Blockchain makes this technology is expected to be able to become a technology in the future.

In Government Regulation No. 5 of 2021 on the Implementation of Risk-Based Business Licensing, in the regulation there is a content related to the rules on Blockchain technology, but the regulation is only based on the level of risk, among others, namely low, medium, medium high risk, and supporting licensing.

With the presence of Blockchain technology must also be followed by clear regulations in an effort to provide a sense of security to the wider community, namely by the existence of legal protection based on consumer protection in order to utilize Blockchain technology that is increasingly used by the wider community, especially in Indonesia. if reviewed that Blockchain-based technology itself offers a new form of technology to be able to store digital data. Therefore, regulations related to consumer protection are one of the manifestations of legality, entities, and the basis in law enforcement in order to ensure the protection of consumers in using Blockchain technology.

METHOD

In this study using an approach that is normative juridical. Normative juridical approach is to use related legislation and by reading related literature about the content of the problem. The data used is qualitative juridical analysis, namely by providing an understanding of the data obtained which is then compiled, described in sentence form.

RESULTS AND DISCUSSION

Legality of the Use of Blockchain Technology in Indonesia

Every year the development of technology is increasingly advanced and sophisticated and also followed by the growth of the latest ideas as a breakthrough that will have an impact on the lives of many people, in developing countries, Indonesia has just entered a new era, namely the era of digitalization which will be planned in 2022 as an effort to advance Indonesia to be able to compete with other Asian countries or even Eropa.

Currently the technology that is and widely used in various countries is Blockchain-based technology. Blockchain technology itself is a technology to store digital-based data or digital ledgers distributed from cryptographically signed transactions and grouped into blocks, the use of Blockchain itself can not only be used in the field of budget but can be used in the field of government, education, industry and others.

At first the use of Blockchain itself was used to store digital money or better known as the Bitcoin currency that was first discovered in Japan, with the continued development of the Bitcoin era is increasingly famous and much hunted by people besides that Blockchain technology is also one of the highlighted by various parties, due to the complexity and difficulty to damage the code in the Blockchain technology. Therefore, Blockchain is expected to be able to do much to lead to digitalization which will all be digitally based.

By seeing such a good opportunity must also be followed by a rule of law to legalize Blockchain technology, in Bank Indonesia Regulation No. 19/12/PBI/2017 of 2017 concerning the Implementation of Financial Technology mentioned that Blockchain technology is one of the financial technology implementation systems in the category of payment systems, namely as an implementation, electronic money, funds transfer, electronic wallets, and mobile payments.

It can be said that Blockchain is a form of financial technology that uses such technology is used in financial systems that produce the latest services, technologies, and business models and has an impact on the financial stability system, and the reliability of the payment system Blockchain technology can be used in financial bidag but must have some conditions that must be done in its organization as well as activities that must meet the mandatory criteria for can register, the criteria is innovative; It can have an impact on existing financial businesses, provide benefits to the community, can be used widely and other criteria set by Bank of Indonesia.

It can be seen that the use of Blockchain technology in Indonesia is allowed but currently only for use in the financial system has not been used in other sectors, but in carrying out these activities the implementation of Financial Technology is not allowed in activities that arethe use of currency virtual currency as well as the use of Bitcoin (Bhiantara, 2018). Financial technology can be used when only limited to currencies allowed by the Banking Act.

Blockchain technology itself is a form of one of the uses that is held in the field of humanfansial, namely in the category of systems of payment that are allowed to be used in Indonesia by having conditions or criteria that must be met and strictly prohibited frommaking payments using Bitcoin because it does not include legitimate currencies in Indonesia (Rahmayani, 2018).

The use of Blockchain technology is also mentioned in Government Regulation No. 5 of 2021 on The Implementation of Risk-Based Licensing but only regulates related licensing based on risks, namely low medium risk, high medium risk, and supporting licensing, the rule of law as an effort to implement Blockchain technology in Indonesia although Blockchain technology has no specific rules of use for what is more strategic but its use It is still allowed in Indonesia for example in the banking world that there are already several banks that use the technology, because it sees such great benefits for the people of Indonesia the government still allows for the existence of Blockchain technology to be used (Adhitya & Chrismastianto, 2017).

Legal Protection of Consumers Using Blockchain-Based Technology in Indonesia

Laws created as an effort to create justice and legal certainty are the most important thing in protecting people's rights in order to create security and peace in carrying out daily activities because of the law that ensures their security and rights in the event of a dispute, one of the laws that is so important in society is the existence of laws that guarantee the community about consumer rights (Ningrum, 2018). Therefore, the law on consumer protection will protect the rights of consumers in carrying out activities either in the form of buying and selling transactions or investing that are done directly either conventionally or digitally (Rusli, 2017).

Currently there are many people who make transactions or buying and selling through online and one of the trends that are being hunted by the public is about virtual currencies or so-called cryptocurrencies. Cryptocurrencies are in the form of digital assets that are then designed to operate as one of the exchange media using cryptography that has a very strong system in an effort to protect all transactions in the financial sector and the creation of additional units, which will then verify the transfer of assets.

One cryptocurrency that is loved by almost all young and old people is the Bitcoin currency. Bitcoin is the currency stored in the technology that is Blockchain, until now the use of Bitcoin is still prohibited use in Indonesia as a legal means of payment this is based on Article 21 paragraph 1 of Law number 7 of 2011 on Currencies which states that the rupiah must be used in every transaction that has a purpose. Payment, obligations that must be fulfilled with money and other financial transactions in Indonesia, because if there is a payment without using Rupiah, it can be punished for a maximum of one year of confinement, and a maximum fine of Rp 200,000,000.

It is clear that Indonesia does not recognize cryptocurrencies as legitimate payments, as well as the use of Bitcoin, but cryptocurrency can be said to be a valuable commodity or as a crypto asset that can be said to be the subject of a tradable futures contract, crypto assets can be said to be assets that do not exist due to the nature of digital data assets, by using cryptography with a distributed ledger and digitally transactions in the absence of interference by others.

The use of cryptocurency is prohibited in its use as a legal means of payment such as Bitcoin, but there are still many who use Bitcoin as a means of payment, in using Bitcoin may want the security and security to be able to use Bitcoin as a medium of exchange or payment in the current era of digitalization, although its use is still prohibited in Indonesia but a consumer who uses cryptocurenccy can make it possible to use Bitcoin as a means of exchange or payment in the current era of digitalization, although its use is still prohibited in Indonesia but a consumer who uses cryptocurenccy can make it possible to use Bitcoin. Law No. 8 of 1999 on Consumer Protection as an effort to protect its rights if there is a problem regarding the use or investment of Bitcoin in the future during the absence of an official Law to be able to legalize the use of Bitcoin by applying legal regulations, specifically regarding the use of Bitcoin.

Although there are no specific rules in the use of Blockchain technology especially in protecting consumers in the event of legal problems, the aggrieved parties can resolve the legal issues through non-litigation legal settlements, but before implementing must be an agreement in advance that is appropriate and based on Article 1320 of the Civil Code that guarantees the parties must bind themselves to the agreement. If there are things that are not desirable in the

future there are legal problems then that can be submitted to law enforcement to solve the problem with evidence in the form of an agreement made by the parties previously.

Dispute resolution is done using a way that is outside the court or alternative dispute resolution, of course it is implemented to reach a mutual agreement on the problem related to the pleasure experienced by one of the consumer parties with a settlement through non-litigation so as to ensure there is no more losses that may be experienced by one of the parties, namely consumers in accordance with article 47 of the Consumer Protection Act through non-litigation settlement, in addition to referring to Law No. 30 of 1999 on Arbitration and Alternative Settlement, such settlement can be resolved through resolving cases outside the court as follows.

Arbitrage

Article 1 paragraph 1 of Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution states that arbltrase constitutes the settlement of a civil dispute outside the general court based on arbitration agreements made by the parties to the dispute in writing. Settlement through abritase required both parties to the dispute must have an agreement in advance and appoint one intermediary party called an arbitrator.

Consultation

Consultation is an act that is of its own nature or personal, namely the client and the consultant only, in the consultation process, the consultant only gives his input or opinion on the problems facing the client. Consultants cannot determine who is wrong or correct decisions regarding dispute resolution will be left to the agreement of the parties.

Negotiation

Negotiation means negotiation, the person who holds the negotiation is named negotiator. Negotiations itself is one of the efforts to reach an agreement process but by bargaining and talks for an agreement that has been agreed between the parties on the issue that is happening.

Mediation

Dispute resolution through mediation is one of the efforts to meet the wishes of the parties who suffer losses, because mediation can shorten time and costs more efficiently. The implementation of mediation will be assisted by the designated party or third party, the mediator will provide advice to the parties who carry out the mediation in order to obtain legal certainty from violations of the law that have been violated by one party to the other party, through mediation getting justice equivalent to the losses that have been done by parties who violate the agreement that has been made before.

CONCLUSION

1) Legality is a recognition recognized by the Law that the use can be protected by law, but until now there are no special rules in regulating the use of Blockchain technology in Indonesia, there is no such rule that explains how and in what field the technology should be used and will have such great benefits in life in the community, Until now it is known that the use of Blockchain technology is only still focused on the use of financial systems

related to finance because there are several banks that have implemented Blockchain technology, encouraging proficiency and security in this technology is good, and followed by the increase of users of Blockchain technology carried out by some people, then Blockchain will be a technology that is considered to be a technology in the future.

2) The absence of special rules related to the use of Blockchain technology in Indonesia makes consumers who feel aggrieved in the use of Blockchain technology, especially cryptocurency users, can choose the path of non-litigation as an effort to solve the problems that are facing the parties, so that there are no official rules related to consumer protection against the use of Blockchain technology. The only way is through non-litigation but previously the parties must promote themselves in advance through pre-made agreements that are in accordance with applicable laws and regulations, settlement by non-litigation means can be through Arbitase, Consultation, Negotiation, Mediation of Blockchain-related laws that specifically have not legally regulated legal protection of users of Blockchain technology but non-litigation channels can be an option for those who feel harmed.

REFERENCES

Adhitya, I., & Chrismastianto, W. (2017). Analisis SWOT implementasi teknologi finansial terhadap kualitas layanan perbankan di Indonesia. *Jurnal Ekonomi Dan Bisnis*, *20*(1).

Bhiantara, I. B. P. (2018). Teknologi Blockchain Cryptocurrency di era revolusi digital. *Prosiding Seminar Nasional Pendidikan Teknik Informatika (SENAPATI) Ke-9*.

Kurniawan. (2011). *Hukum perlindungan konsumen : Problematika kedudukan dan kekuatan putusan Badan Penyelesaian Sengketa Konsumen (BPSK)*. Brawijaya University Press.

Ningrum, I. E. (2018). *Perlindungan konsumen atas kerugian Peer To Peer Lending (Tunaiku) dalam penyelenggaraan Peer yang batal terdaftar di Otoritas Jasa Keuangan*.

Nugraha, A. C. (2020). Penerapan teknologi Blockchain dalam lingkungan pendidikan. *Jurnal Produktif*, *4*(1).

Prabowo, M. S. (2010). *Perlindungan hukum jamaah Haji Indonesia*. Rangkang.

Rahmayani, N. (2018). Tinjauan hukum perlindungan konsumen terkait pengawasan perusahaan berbasis Financial Technology di Indonesia. *Pagaruyuang Law Journal*, *2*(1).

Rusli, T. (2017). *Hukum perlindungan konsumen di Indonesia*. Aura.