

Responsibilities of the Application Provider in the Sales of Goods and Services Through E-Commerce

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ABSTRACT

In the industrial revolution 4.0 era, the use of e-commerce in trading of goods and services has increased. It is because of the internet users in Indonesia has increased and reached 82.000.000 users in 2019. The use of e-commerce has helped the community to buy their daily needs. So, the government needs to strengthen the rules in trading. This study employed a prescriptive normative method. The data analyzed were the applicable legal rules and practices in buying and selling of goods and services through e-commerce platform. This study showed that there were sellers in an online platform who did not deliver the products or services as promised, and sellers who did not confirm that payments have been made. The results indicate that the misconduct behavior in e-commerce does not only adversely affect consumer confidence but also cause problems in the economic development of the society. Therefore, it is recommended that the application of e-commerce must be implemented in a green marketing concept, so that the marketing is carried out legally between the involved parties.

Keywords: *responsibilities, application, e-commerce*

1. INTRODUCTION

The used of technological tools in the industry 4.0 era is very influential in the society as it can help in various fields, such as entertainment, education, trade, government, and communication. This influence has stimulated a variety of positive reactions, even for only a gradual change [1]. Each country has difference human resources, nature, climate, geographical location, socio-culture and economy which cause the difference in community activities. Thus, this becomes the main basis for the responsibility of each owner and user of the information technology.

In the era of the industrial revolution 4.0, the trend that customers make a payment through technology has increased. This is because technology can facilitate the community, and many applications have been formed to materialized the trade using online platform. In addition, the seller gains more profits and convenience through the use of digital technology when providing goods and services. E-commerce also creates the exchange of products and services between traders, individuals, groups of people, and business entities. This creates challenges for every sovereign country, world order and legal system in each country [2].

Data from the Ministry of Communication and Information indicate that the number of internet users in Indonesia has reached 82,000,000 people, and is ranked as 8th biggest internet user in the world [3]. The used of e-commerce by the customer has strengthened the

government's rules in trading for the community. This makes the application provider and seller obliged to be responsible in every trading implementation for the consumers.

In general, the formation of a country's production will greatly influence the advantages of human resources and technological superiority [4]. Therefore, the implementation of trade marketing between countries has increased and world's economy has developed very rapidly. This all cause the flow of globalization and free trade become more varied. Therefore potential challenges may be faced by business entities and the use of 'illegal' trade may happen.

The basic characteristic of a business contract implementing e-commerce must be in accordance with the legal terms of the agreement contained in Article 1320 of the Civil Code. The legal terms of the agreement can help Indonesia in every economic development. This may happen in a close collaboration with other countries. The development of international trade transactions, from the collaboration specifically formed agency for application providers in the sale of e-commerce.

The implementation of e-commerce also gives an impact on people's lives. It creates new challenges for business sector, especially for creative industries and cultural products. E-commerce application providers must be responsible for the validity of the implementation of online trade transactions, so that the seller can guarantee the quality of goods and services delivered to customers.

2. METHOD

This research uses normative juridical research where a systematic based on obedience to the legal structure in a hierarchical manner to provide a legal opinion in the form of justification (prescriptive) of a legal event will be studied [5]. This research is an inventory of validity in e-commerce sale and purchase agreement, so that the application provider will be responsible for carrying out the sale and purchasing of goods and services. This examines the rules that apply in the public, so that we can know the implementation of internet services to the public.

3. DISCUSSION AND RESULT

Indonesia has improved the development of technological law in the industry 4.0 era. The government does not only handle the trading relations between countries but also guarantees the implementation of electronic transactions via the internet. The development of the internet was begun with a research project which is called ARPANET (Advanced Research Projects Agency Network) and sponsored by the United States Military in 1960. This project was originally intended to create a communication tool that has a flexible and secure power and allows the creation of coordination among military activities [6].

The rapid development of technological brings a new style in the trading system. In the last few years, online business transactions become more prevalent in Indonesia, even in a casual transactions on social media such as Facebook or mobile communication devices as marketing tools. In an online shopping through internet, virtual business systems have also developed virtual stores and virtual companies in which business transactions are made and no longer rely on conventional stores or companies. The advancement of science and technology is the driving force for the productivity and efficiency of producing goods and services. However, the efforts to reach the productivity and efficiency may affect the consumer either directly or indirectly. For this reason, legal protection for consumers becomes very important.

In the industrial revolution era, this legal protection will not only influence consumer trust in using e-commerce platform, but also influence the growth of world's economy. The growth of e-commerce can rapidly change people's behavior in buying goods and services, thus it makes the digital credit becomes increasingly high in demand.

The implementation of digital payments in e-commerce does not directly affect nationalism. However, in overall, it can reduced or eliminate the sense of nationalism because globalization open the horizons of society globally. The overseas products can inspire the society in one country and this will cause a dilemma.

When people use payments through digital credit in e-commerce, the Indonesian economy may not be fulfilled. This is not aspirational and can be an anarchic action that disrupts national's stability, security and unity. The platform provider should be responsible for guaranteeing the use of payment, and the seller must also guarantee the quality of goods that is going to be delivered the buyers.

Anticipating this negative impact towards nationalism due to globalization, the spirit of nationalism should be nurtured through the implementation the values of Pancasila, religious teachings, law supremacy, and the implementation and reinforcement of justice law as well as being selective towards the influence of globalization in terms of economy, politic, cultural and social life.

Through those all Indonesia can utilize this industry 4.0 era optimally. The implementation of e-commerce must be carried out according to the Law No.11 of 2008, the Law No. 19 of 2016 concerning Information and Electronic Transactions. The implementation of e-commerce must also comply with other established regulations. Although there is an ongoing implementation of e-commerce between countries, application providers in each country should be responsible so that the application can be used well by the society in the country.

The application provider is responsible for the validity of the electronic documents in an e-commerce platform. Law No. 11 of 2008, article 16 (1) states that the operation of electronic systems must fulfil the following minimum requirements,:

- 1) Be able to display the electronic document/information completely throughout the prescribed retention time as indicated in the regulation .
- 2) Be able to provide protection to the availability, integrity, authenticity, confidentiality, and accessibility of electronic information.
- 3) Be able to operate as it is prescribed by the authority or regulator.
- 4) Equipped with procedures or instructions announced with language, information, or symbols that can be understood.
- 5) Having a sustainable mechanism to maintain the novelty, clarity, and accountability of procedures or instructions.

In this case, the implementation of an electronic system which fulfill the minimum requirements aims to prevent acts that are prohibited (against the law) [9].

The responsibility of application provider as an agency, must be in accordance with the established regulations, therefore in the contract agreement, the freedom principle is also formed. In the civil law, the principle of freedom in a contract agreement, is basically given everyone to form an agreement which includes its forms and contents. The principle of freedom of contract is

Source: Payment Method in E-Commerce [7]

stated in Article 1338 (1) of the Civil Code which informs that all kinds of legal contract agreements become a law for those who formed it. This makes the freedom principle becomes the main principle in an agreement. An agreement must meet the legal requirements of the agreement. They are a consent of the individual who are bound thereby; a capacity to conclude an agreement; a specific subject; and an admissible cause (as it is written in Civil Code Article 1320). By satisfying these four minimum requirements, a contract agreement becomes valid and legally binds the parties who made it.

Referring to the minimum requirements of an agreement to be called valid, where one of them is the competency, it will be a problem if the party involved in an e-commerce transaction is a minor. This might occur because finding the true identity through the internet is not an easy task. When also looking at other requirements, they also become a consideration to determine the relevance of the application of legal principles that have been prevailing on the internet.

In the implementation of e-commerce, the regulation of Civil Law and Commercial Law in Indonesia is interpreted relatively broad that also includes the meaning derived from the laws on the agency. Compared with the Common Law legal system, where parents can represent their child, the commercial law does not share the same mechanism [10].

The main foundation formed is the e-commerce agreement between the parties which is implemented by the application service provider as the agent and the provider company that guarantees a good internet network in the e-commerce agreement. But consumers must be careful when making online transactions. These problems include payment mechanism issue, security and transaction risk, and transaction insurance [11]. Therefore, a strong accountability from application providers and sellers is crucially needed by consumers.

In implementing e-commerce, Indonesia should adjust to economic development, so that it will not give adverse influences to the e-commerce environment. Various digital economy-based innovations emerge and continue to grow such as Go-Jek, Bukalapak, Tokopedia and other various start-ups. Digital technology will create 3.7 million new jobs in the next 7 years where most of them are engaged in the service sector.

A proper and sustainable self-development is the main challenges in the e-commerce service sector. In addition the the willingness to always innovate overtime is also another challenge. Creative industry has transformed itself into the new main driver supporting Indonesian economy. The players in this creative sector know how to understand market demands by always being innovative and adaptive. This sector has proved to be able to create large number of employments even amid the economic crisis.

In the e-commerce trading, the main principle required by the parties is integrity. This integrity principle is written in Article 1321 of the Civil Code which states that *“no agreement is of any value if granted by error,*

obtained by duress or by fraud”. The principle of freedom and integrity are very closely related to the principle of contract agreement to carry out e-commerce transactions in a fair way.

In essence, the agreement acts as platform that matches the interest of both parties. The use of e-commerce when selling and buying things can guarantee the quality of trading, because the seller has clear responsibilities to perform transaction through e-commerce platform in an environmentally friendly way. If the seller announces the sales promotion to consumers through the advertisement, then the seller must guarantee the use of the promo with a time limit. This is necessary to prevent synchronization in the used of e-commerce in Indonesia.

In e-commerce, the use of environmentally friendly concepts can build a better and beneficial economy for the community. Fairness principle also becomes the most important part in establishing a balanced position between application providers, sellers and consumers, so that the accountability of the application service providers in the delivery of the goods purchased by consumers can be guaranteed according to applicable regulations [12].

4. CONCLUSION

This study concludes that in the era of the industrial revolution 4.0. the implementation of trade through technology which is declared as e-commerce has substantially increased and is closely related to the growth of economic globalization. In an e-commerce transaction, application provider responsibilities are required to guarantee the sellers to provide the quality of products/services as promised and to guarantee that the sellers confirm the payment when it has been made. The results of this study indicate that the misconduct behaviour in e-commerce does not only adversely affects consumer confidence but also causes problems in the economic development of the society. Therefore, the application service provider in e-commerce must apply the concept of environmentally friendly trading, so that the trade is carried out legally between the parties involved. These parties must also be responsible and act accordingly towards their respective agreement.

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