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## Legal Analysis of the Implications of the ASEAN Agreement on E-Commerce for Electronic Business Contracts in Indonesia

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### *Abstract*

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*The Industrial Revolution 4.0 (4IR) has ushered in significant transformations, notably the rise of electronic commerce (e-commerce), which transcends national borders and presents challenges related to state sovereignty, legal certainty, security, and the formation of contracts. To address these complexities, the ASEAN Agreement on E-Commerce aims to facilitate e-commerce across ASEAN countries. Indonesia, as an ASEAN member, has ratified this agreement into national law, impacting various aspects, notably the regulation of digital business contracts. This study seeks to explore these implications through qualitative analysis of secondary data, employing normative legal methodologies and a legal approach. The ASEAN Agreement on E-Commerce introduces additional regulations that establish norms for individuals engaging in cross-border electronic transactions within ASEAN. This framework is crucial for harmonizing legal standards and fostering a conducive environment for international business activities within the ASEAN region.*

**Keywords:** ASEAN, E-Commerce, and Digital Contracts

### A. INTRODUCTION

Business plays an important role in fostering national economic development (Bllaca, 2015). Recognizing this crucial contribution, governments worldwide have implemented strategic measures to mitigate the adverse impacts of the Covid-19 pandemic, particularly its detrimental effects on national economies. One such initiative is the National Economic Recovery program, which includes provisions

such as tax incentives aimed at alleviating the operational burdens on businesses, enabling them to maintain focus amidst economic uncertainties (Effendi et al., 2022).

The sustained engagement of businesses in economic activities significantly influences a country's financial dynamics, thereby facilitating robust and stable economic growth essential for post-pandemic recovery. Central to achieving this growth is the creation of a conducive economic and business environment (Basmar et al., 2021). This environment is characterized by minimal barriers to market entry, well-defined property rights enforced by law, and efficient contract enforcement mechanisms (Beck, Demirguc-Kunt & Levine, 2005).

Based on the characteristics of a good business environment mentioned previously, contracts play an important role because almost all business activities give rise to contracts. Contracts are seen as relationships whose contents consist of promises which are discussed in detail by the parties in a controversial manner and can be enforced by law (Wolff, 2020). In social life, the term contract is also called agreement, bargaining, lease, or agreement (Mayer et al., 2012). Contracts are the basis for a business relationship. Every business activity certainly creates and is based on contracts. The reach of contracts is very broad, where almost all activities, especially business, involve the formation of contracts containing their rights and obligations so that legal certainty is created in their business or projects to gain profits (Ramziati, Sulaiman, & Jumadiah, 2019).

Industrial Revolution 4.0 (4IR) is a situation that is being faced by all countries. Sophisticated technology in the current era means that every activity is invaded by carrying out it online. These technological developments also make long-distance communication and obtaining information from various corners of the world easier to do. These technological developments have also triggered an increase in the growth of internet users (Santoso, Anwar & Waluyo, 2020). The internet itself has also become part of the needs prioritized by all groups of society. Millions of facilities and several other conveniences can be accessed via the internet with just one touch (Khairani et al., 2021). The convenience provided by the internet means that all individuals in the world can utilize this technology called the internet to carry out their activities when the world is facing a crisis triggered by Covid-19, including business or trade activities. Many offline business actors are transforming their

businesses into the online realm so that their products or services can be sold to consumers so that their businesses can survive the global Covid-19 crisis (Anggraini et al., 2020).

The development of technology in the form of the internet as a result of 4IR has had far-reaching effects, namely changing the business model of a company by giving birth to a new business model which we call electronic commerce or e-commerce (Van, 2022). At this time, in a situation where the world is completely electronic, coupled with the Covid-19 pandemic, most entrepreneurs are forced to switch to e-commerce in order to fulfill consumer interests, namely shopping or transactions without leaving the house and without meeting face to face (Tolstoy, Nordman & Vu, 2022). The change in business style to the online realm is actually also supported by the benefits brought by e-commerce, namely that it can increase sales and income of business actors (Agyeman et al., 2022). In general, transactions in electronic commerce or e-commerce of course use different contracts than usual because electronic commerce or e-commerce is not carried out face to face so the contracts used in buying and selling activities in e-commerce are electronic contracts (Andriani, 2019). An electronic contract is a form of agreement or contract that is formed with the help of technology or using electronic devices and this contract is contained in an electronic document or other form of media or electronic means (Purwono, 2019).

In the Indonesian legal system, electronic contracts are possible due to Article 1338 of the Civil Code which essentially contains the principle of freedom of contract. This article of the Civil Code gives contracting parties the freedom to determine for themselves the content of their contract and its form. Electronic contracts in Indonesian positive law are regulated in the ITE Law, although only a few articles specifically regulate electronic contracts. The birth of the ITE Law is necessary to provide legal certainty and legal protection, considering that the development of the use of electronic contracts is also starting to grow rapidly along with the times, considering that technology in the world has become more advanced and many Indonesian people have interacted on the internet, especially business people (Rusli, 2007).

In terms of implementing e-commerce, Indonesian law needs to regulate in detail and clearly regarding e-commerce. Research by Anjani & Santoso (2018) regarding the urgency of reconstructing e-commerce law in Indonesia, revealed a similar thing where the government needs to design a legal regulation that regulates e-commerce, this is needed to provide protection and legal certainty regarding the implementation of e-commerce. commerce. With the increase in business in the e-commerce sector during this pandemic, the government also emphasizes making laws and regulations governing e-commerce, apart from providing legal protection and certainty, it also creates a comfortable business environment. Regarding that as each day goes by, new modus operandi for criminal acts in the e-commerce realm are increasingly emerging, so it is not surprising that many people want regulations regarding e-commerce to be made so that there is comfort in doing business. In addition, existing electronic commerce no longer recognizes territorial boundaries, giving rise to several new problems for which Indonesian national law does not yet have regulations.

Addressing this problem, in mid-2021, news circulated that the government would ratify the "ASEAN Agreement on E-Commerce" or what will be abbreviated as AAEC in this research. This ratification is deemed necessary because it provides benefits in the form of facilitating the implementation of e-commerce or cross-border electronic commerce in ASEAN, the ASEAN agreement also encourages the creation of a conducive electronic commerce environment and encourages the use of electronic commerce to support national economic interests in ASEAN (Bahtiar, 2020). In short, AAEC can protect parties or business people in the e-commerce sector, especially in terms of cross-border electronic transactions. AAEC ratification also provides benefits for Indonesia in terms of being a form of cooperation between ASEAN countries so that it can encourage increased trade value, competitiveness and expand cooperation. AAEC ratification was promulgated through Law No. 4 of 2021.

The ratification of an international agreement is carried out in the form of a law because it is related to one of the reasons, namely the establishment of new legal rules. The regulations for this matter are in Article 10 of Law No. 24 of 2000. In this case, it is necessary to know what implications will result from the ratification of the

ASEAN Agreement on Electronic Commerce. According to researchers, this ratification has an impact on the regulation of the creation or implementation of electronic contracts in e-commerce. This is because Article 7 Section 2 in the AAEC regulates "Electronic Signatures" which directly leads to the validity of an electronic contract. Because, in the context of an agreement, a signature is generally placed as proof of implementing the agreement and can demand the implementation of the agreement as if he had carried out a transaction but did not receive the goods he should have received (Usman, 2020). In this case, it is still minimal and it could be said that no research has been found at all that links AAEC to electronic business contracts, which can also be said to be an advantage in this research. This research will analyze the relationship between AAEC and electronic contracts and its implications in Indonesian law in the field of electronic contracts.

In looking at the implications of the ASEAN Agreement on E-Commerce or AAEC for contract law in Indonesia, researchers chose the type of normative legal research because legal norms are the object of this research (Diantha, 2016). For maximum results, this research will use a statute approach or statutory approach. The material or data that the researcher will use is in the form of secondary data, this data will be classified into primary legal material in the form of legal norms as the main material, secondary legal material in the form of journals or books as supporting material and tertiary legal material which will help researchers clarify foreign terms in this research (Sonata, 2014). After the data in question has been obtained by the researcher through the results of a literature or library study, the secondary data will be analyzed by the researcher using a qualitative analysis method, namely the researcher will analyze it using a scientific way of thinking in the form of conclusions, either deductively or inductively, as well as observing the topic researched (Bachtiar, 2021).

## **B. RESULT AND DISCUSSION**

### **Agreement between ASEAN Countries in Facilitating the Implementation of Trade Through Electronic Systems (E-Commerce)**

As time and technology develop, trade and business no longer recognize national borders, where not only local residents but residents of foreign countries can become

customers of an entrepreneur. Cross-border or cross-border e-commerce does have good strengths in the context of improving a country's economy. In this regard, ASEAN is aware of several potentials that hinder the growth of e-commerce trade now and in the future, namely infrastructure, competence, logistics, legal regulations (Pratamasari, 2020), issues related to a country's jurisdiction in cross-border transactions. (Sugianto, Sukardi & Michael, 2022), as well as problems in management or contract creation (Ivanov & Sarkisyants, 2018), and so on such as handling cyber crime (Putra & Murwani, 2022). There are various problems that have been mentioned, legal issues are the focus that need to be addressed because the laws in each country are different and differences in laws from countries create problems such as how to ensure legal certainty for customers in situations when crossing national borders, namely in terms of electronic transactions, electronic signatures, protection. consumers in terms of dispute resolution, as well as privacy and protection of customer personal data (Yean, 2019). This e-commerce problem is discussed more clearly in the ASEAN Economic Community (AEC) 2015 Blueprint, where in the AEC 2015 Blueprint, it is stated that ASEAN's goal is to create a policy or law for e-commerce so that it enables and facilitates electronic commerce within the scope of ASEAN. ASEAN's priority is to form regulations related to e-commerce, where these regulations will be harmonized (legal harmonization is carried out) with the laws of countries in ASEAN, because each ASEAN member country has different laws from one another regarding electronic commerce, electronic signatures. and so on (Yean, 2019).

The AEC 2015 Blueprint targets mentioned in the previous paragraph were not achieved and these targets were included in the AEC 2025 Plan, so that e-commerce cooperation efforts will continue because of its potential to support economic integration in ASEAN. In AEC 2025 it is planned to develop or launch a regulation that facilitates the implementation of cross-border electronic commerce in the ASEAN region to overcome the cross-border problems mentioned previously (Yean, 2019). Several years ago, ASEAN launched the AAEC or ASEAN Agreement on E-Commerce which was signed in 2019 as a manifestation of the commitment of ASEAN countries to increase market growth from electronic commerce and overcome existing problems (Chin, Yong, & Ong, 2019). This ASEAN agreement establishes rules that

will advance digital trade in the ASEAN region, as well as rules regarding paperless trade, digital payments and cyber security (ASEAN Secretariat, 2021). AAEC also functions as a pathfinder for modern regulations regarding e-commerce transactions in the ASEAN region and paves the way towards a regionally integrated digital economy. With the entry into force of the AAEC, the implementation of this agreement plays a very important role in recovering the economies of ASEAN countries due to the global Covid-19 crisis (ASEAN Secretariat, 2021). In facilitating the implementation of cross-border e-commerce for goods and services, AAEC strengthens the emergence of a cohesive, harmonious and inclusive environment (Association of Southeast Asian Nations, 2021). So it can also be said that regional agreements such as AAEC, apart from overcoming problems that are not regulated by national law, also improve relations between countries bound by these international agreements.

The purpose of establishing the AAEC is clearly explained in one of the articles in the AAEC, namely as follows (Article 2 AAEC):

1. Facilitate trade transactions through cross-border electronic systems in the ASEAN region;
2. Participation in establishing an electronic trading environment full of trust and confidence in the ASEAN region;
3. Deepen cooperation between countries in ASEAN (Article 6 AAEC) to develop and increase the use of electronic commerce to drive inclusive growth and narrow development gaps in the ASEAN region.

For every activity related to electronic commerce, including e-commerce, the articles in the AAEC will apply to that activity and must be obeyed and carried out while carrying out activities related to electronic commerce. However, the activities in question do not include government procurement, this is made clear considering that there are also procurements carried out electronically (Article 3 AAEC).

Furthermore, the provisions of the third chapter of the ASEAN Agreement on Customs will be implemented in the AAEC regarding the regulation of ICT or Information and Communication Technology (Article 7 paragraph (1) AAEC). AAEC also clearly states that documents used in electronic commerce are in electronic form and the use of technology must be adapted to standards

recommended by an international organization. In terms of conditions for implementing electronic trading, such as electronic documents or electronic contracts, electronic signatures or other forms of identification must be provided by the parties. Identification such as electronic signatures based on AAEC is legally valid so that when there is a country whose legal arrangements do not recognize the existence of electronic signatures, then that country may no longer deny the existence of electronic signatures with the presence of this AAEC (Article 7 paragraph (1) AAEC). Similar to the previous arrangement, in terms of electronic authentication, electronic authentication measures are recommended based on international norms (Article 7 (2) AAEC).

AAEC also helps with problems that are often problematic in trading via electronic systems, namely the existence of related regulations:

1. Protection of Online Consumers (Article 7 paragraph (5) AAEC)

Steps will be implemented to create effective and transparent consumer protection in electronic commerce in order to build consumer confidence, namely by offering a similar level of protection to consumers in other forms of commerce based on relevant regulations.

2. Protection of Personal Information Online (Article 8 AAEC)

The fear of leaking personal information in electronic commerce has been regulated in this ASEAN agreement. In this case, measures will be implemented or maintained to protect the personal information of electronic commerce users, namely by taking into account the guidelines or principles issued by international bodies.

3. Cyber Crime Problems (Article 10 AAEC)

Issues dealing with cyber security are also regulated in this ASEAN agreement. Countries in ASEAN will work together to deal with cyber crime in order to improve cyber security in ASEAN.

4. Electronic Payments (Article 9 AAEC)

Emphasizing that efforts will be made to establish an electronic payment system whose security is guaranteed, which is efficient and can be operated (interoperable) or what is usually called interoperability, so as to facilitate



electronic commerce in accordance with the regulations existing in member countries.

Apart from the problems above, the issue of goods security during shipping is also an important thing that ASEAN member countries are aware of. So that cross-border logistics is more efficient, costs will be reduced and the quality of the supply chain will be improved (Article 10 AAEC). Problems related to state sovereignty are also addressed by implementing the provisions contained in Article XIV and Article XIV bis in the GATS (Article 14 AAEC). Article XIV GATS regulates the "General Exception" while Article XIV bis GATS regulates the "Security Exception". The General Exception setting allows justifying actions that are not permitted to achieve the objectives of the policy in question. This is different from the Security Exception arrangement which justifies a country's violation on the grounds that it is for the sake of the country's national security (Yoshinori, 2021).

In moving or transferring information across the territorial boundaries of a country electronically, Article 7 paragraph (4) AAEC permits the information in question to cross the territorial boundaries of an ASEAN country electronically, provided that the information is used for business purposes, and is subject to the respective laws and regulations. In this paragraph it is also stated that efforts will be made to eliminate or reduce these information barriers. The information in question is personal information, where the security and confidentiality of the information must be ensured to be safe and remain confidential. Regarding confidentiality and security, in terms of using computing facilities they must also pay attention to these two things and not require computing facilities as a condition for running their business or business (Article 7 paragraph (6) AAEC). However, the matters in this paragraph do not apply to financial services in the Annex on Financial Services of GATS.

Continuing to the next topic, when a dispute occurs in electronic commerce, based on Article 15 AAEC, the dispute resolution provisions of the Enhanced Dispute Settlement Mechanism will be applied by the parties to the dispute in electronic commerce. The implementation of this method of settlement is because one of the principles of the ASEAN agreement is to encourage and

facilitate the use of alternative dispute resolution as an option for resolving disputes that occur in electronic commerce (Article 5 paragraph (3) AAEC). Enhanced Dispute Settlement Mechanism or abbreviated as EDSM, is intended to ensure rapid resolution of economic disputes and the results are legally binding among ASEAN members (Soeparna, 2021). The dispute resolution mechanisms contained in EDSM are divided into several forms of dispute resolution, namely consultation, good offices, conciliation, mediation, and the formation of panels as well as reviewing appeals to the appellate body (Limsiritong, 2018).

ASEAN countries formed an agreement to mutually assist, facilitate, support and protect the practice of electronic commerce or e-commerce activities in ASEAN. All arrangements in the AAEC aim to eliminate several obstacles or problems encountered in electronic commerce through cooperation between countries in ASEAN. All the explanations that have been mentioned in the previous sentence are contained in a short and clear explanation in Article 2 AAEC, which article is the heart of the implementation of AAEC which contains goals that spread and become the basis for forming other articles so that these goals can be achieved. AAEC also clearly outlined the details of the protection provided such as dispute resolution used by the parties, personal data protection, increasing cyber crime security, issues regarding the validity of electronic signatures and so on and directed ASEAN countries to immediately implement and adapt the ordered matters such as enforcing a system, application of international rules, publishing or providing information such as implementation steps related to this agreement to the public, conducting reviews, considering the use of international rules, and so on in order to form a good, healthy and fair electronic trading environment.

### **Implications of the Ratification of the ASEAN Agreement on E-Commerce for Contract Law in Indonesia**

In the life of the world community, in the era of globalization and an era where technology is developing rapidly, the implementation of international trade increasingly does not recognize the territorial boundaries of a country (Dirdjosisworo, 2003). Current technological developments have made changes to the practice of implementing international trade, which has introduced new

business intermediaries such as e-commerce (Singha & Sahu, 2022). Business cooperation that crosses the territory or borders of a country requires an international business contract, which contains an agreement regarding business cooperation between parties of different nationalities (Gijoh, 2021). In the development of contract law in Indonesia, Indonesia does not yet have a national law that regulates international business contracts or international electronic contracts. Indonesia needs to ratify international conventions or agreements that apply globally so that there is legal certainty in every business activity carried out internationally (Wongkar et al., 2021). One of the conventions that applies globally is the Contract for the International Sales of Goods or widely known as CISG, a convention which Indonesia has not yet ratified (Wongkar et al., 2021).

This is classified as a serious problem because there are no specific provisions for contracts, meaning there is no legal certainty regarding these provisions. This matter will create uncertainty for the parties entering into the contract. In this regard, often in practice in the field there is a possibility that one party will be disadvantaged because that party only accepts a standard form contract made by the opposing party because it has lower social and economic conditions (Salim, 2021). The standard in question is also a subjective matter of the party and the contents of the contract may be more beneficial to him and detrimental to the other party. This situation or situation strengthens the statement that there is a need for universal or national regulations that specifically regulate contracts to replace the old regulations (Salim, 2021). In the implementation of international business, which is supported by developments over time and the Covid-19 pandemic, existing business implementation already uses an electronic system, so therefore, business people definitely need electronic international business contracts, but related to this there are still disputes and problems. law regarding the implementation of international business (Kesuma, 2018). There are no regulations regarding international business contracts in Indonesia which creates problems in implementing international business contracts, especially now that contracts can be executed electronically and across borders. AAEC in this case makes a contribution in supporting and expediting international business

which is carried out electronically even though it is still within the regional scope, namely ASEAN.

Without any governing law, the preparation of international business contracts raises several problems such as what important points the parties must include in an international business contract so that the contract provides legal certainty and protects the parties (Kusumadara, 2013), issues such as which law will apply if a dispute or breach of contract arises (Ukas & Husna, 2019), and so on. Apart from that, in the practice of drafting international business contracts, due to the lack of guidelines for drafting international business contracts from the government, Indonesian parties often hand over the drafting to foreign parties and when a legal dispute occurs, it usually brings losses to Indonesian business actors because the contents of the international business contract are not profitable for the Indonesian side which causes the Indonesian side to often be defeated by international arbitration institutions or foreign courts (Kusumadara, 2013). The ratification of the AAEC carried out by Indonesia can help overcome the problems that have been mentioned because the arrangements in the AAEC contain matters regarding facilitating the implementation of electronic commerce which is related to electronic contracts, these arrangements were made to create a world of electronic commerce that is guaranteed and protected by law and once again, AAEC only covers the implementation of electronic trading activities carried out in ASEAN.

In short, AAEC has an influence on the development of business contracts in Indonesia, namely providing regulation of the content of international business contracts in electronic commerce but still within the scope of the ASEAN region. In simple terms, with the presence of AAEC, the contents of business contracts in electronic trading must be adjusted to the regulations contained in AAEC. This is because in Article 3 paragraph (1) AAEC states so. AAEC also tightens the regulation of electronic contracts, which in this article links its regulation to the ASEAN Agreement on Customs, which requires that the use of technology in the implementation of electronic commerce must comply with standards recommended by international organizations, such as TCP/IP standards or protocols issued or produced by Internet Engineering Task Force (IETF). By

analogy with the ASEAN Agreement on Customs, the AAEC provisions also state that electronic contracts must contain an electronic signature or other form of identification. The validity of an electronic signature, in Article 7 paragraph 2 letter (a) AAEC strictly requires recognizing the legal validity of an electronic signature. Furthermore, in letters (b) and (c) of the same article and paragraph, existing provisions relating to electronic authentication, in electronic contracts the parties are required to include authentication technology and its implementation model.

In connection with the previous explanation, it can be seen that in AAEC the international element is more emphasized, where previously the implementation of contract making was adjusted to the national laws and regulations of one of the parties which could actually result in the possibility of a party being harmed. With the existence of AAEC, when a party wants to carry out electronic trading, according to the agreement the parties must first choose the technology or electronic system used to facilitate the running of electronic trading, including the creation of electronic contracts. The technology chosen by the parties must meet internationally recognized technology standards. In contracting, the contract must contain identification of the parties as a form of agreement, which can be in the form of an electronic signature or other means of identification created to identify and show the parties' agreement as well as for future proof (Listyana, Wati & Lisnawati, 2014). Another means of identification that can also be utilized is the use of a QR Code, or utilizing the use of a hashing algorithm or blockchain system (Dhyani et al., 2022). In terms of authentication, the parties must also clearly state in their contracts the technology and authentication implementation model that they will implement.

Regarding the contents of business contracts, by tightening several protections in terms of implementing electronic commerce in AAEC, namely protection of online consumers, protection of online personal information, guarantees of security and confidentiality of communications, guarantees that the chosen electronic system is free from cyber crime, guarantees that electronic payment systems are safe, and so on. The existence of these arrangements has the

effect of providing an overview of the rights and obligations of the parties in the articles contained in their contracts. With the AAEC, the contents of the parties' business contracts can contain a clause that each party has the right and obligation to provide protection regarding personal data, protection as a consumer, security of the electronic system chosen, and/or other protection as stated in the AAEC. Security failures in electronic systems such as a trading platform being attacked by a virus, the cost of goods or services not reaching the party who has the right to take them, and so on will appear in electronic contracts made as a result or pressure of the obligation to protect other people's rights due to direct arrangements from the AAEC regarding regarding the security of using electronic systems in electronic trading. Even though it does not include this matter in the rights and obligations article, the contract made by the parties can contain a clause that the business contract made by the parties is subject to AAEC regulations so that in situations where such rights and obligations are not contained, if one of the parties violates such as leaking data the person of one of the parties, the opposing party can be sued.

Regarding prosecution, generally, in carrying out international business transactions, whether online, namely through an electronic system or offline, the parties will of course choose which country's national law will be used by the parties in making a business contract, this also concerns the forum or a way of resolving disputes in anticipation of disputes that may arise in the future (Wongkar et al., 2021). So in connection with this matter, when making a contract where the parties have different nationalities, there is a clause or article in the contract between the parties that contains the content regarding the choice of law. In addition, as an anticipation for the parties in the future, the parties also most likely determine in their contract the dispute resolution forum that the parties will choose according to mutual agreement. Regarding this matter, with the presence of the AAEC, especially in Article 15 AAEC, the resolution of disputes related to electronic trading activities is directed to be resolved using the Enhanced Dispute Settlement Mechanism settlement method. Therefore, clauses that specify the specific use of a country's positive or national law or specify the specific resolution of disputes in which court or by arbitration, now with the existence of

AAEC, the contents of the relevant contract regarding dispute resolution will use the Enhanced Dispute Settlement Mechanism method in accordance with the stated provisions. in Article 15 AAEC.

So, based on the presentation and data analysis carried out by researchers, it can be said that the implementation of AAEC has implications for the development of business contract arrangements in Indonesia where the presence of the ASEAN agreement has given rise to new regulations in the form of guidelines for making international business contracts electronically. Indonesia now has the basis for electronically regulating international trade or business within the scope of ASEAN. These existing arrangements provide an illustration for business actors in making their business contracts because, as has been stated, Indonesia is active in international trade but has not ratified international agreements whose regulations relate to international business contracts. So, to fill the legal vacuum, AAEC can be applied as an illustration of what can be contained in their contracts considering that there are no specific legal rules governing the contents of international business contracts in conducting international trade. AAEC will also continue to be enforced in the future because the existing arrangements will still apply in ASEAN so that business actors carrying out electronic commerce in ASEAN still have a legal basis regarding what matters are their rights, obligations, etc. as well as several arrangements such as ways of resolving disputes that can outlined in their business contracts. The electronic system or technology in making electronic contracts must also comply with international standards (Article 5 paragraph (2) AAEC). The choice of dispute resolution between the parties is now shifted to using the Enhanced Dispute Settlement Mechanism, thereby eliminating clauses that state specifically how to resolve disputes by using a country's national law or using arbitration. So, AAEC contributes to the development of contract law regulations in Indonesia, namely in the scope of electronic international business contracts in ASEAN.

### **C. CONCLUSION**

Ratification of regional and international agreements is needed to address problems or obstacles that cannot be overcome using the national laws of the country concerned. In implementing electronic commerce, international agreements make it possible to open

access and expand trade protection and security to the international realm, such as the ASEAN Agreement on E-Commerce which allows traders or business people to carry out electronic commerce safely and comfortably in the ASEAN Region. Facilitation is the core thing agreed upon by ASEAN member countries in the ASEAN Agreement on E-Commerce so that electronic commerce in the ASEAN region can develop without interference and restrictions. The formation of the ASEAN Agreement on E-Commerce is based on the awareness of the importance of regulating cross-border electronic commerce in order that the implementation of electronic commerce in the ASEAN Region can run conductively without any obstacles or obstacles. Apart from that, the presence of the ASEAN Agreement on E-Commerce has implications in the form of the emergence of legal rules that can become a benchmark or direction for parties in making their electronic business contracts in the ASEAN region, where Indonesia itself does not even have international business contract regulations, let alone contract implementation regulations. international business electronically.

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