JURNAL AKTA
Volume 13 No. 3, September 2026
SINTA 2,
Decree No. 164/E/KPT/2021

Strengthening Indonesian Legal Regulations for the Integration of Online Dispute Resolution in Dispute Resolution of Cross-Border Electronic Transactions

Maslihati Nur Hidayati

Faculty of Law, Universitas Pancasila, E-mail: maslihati.nh@univpancasila.ac.id

Abstract. *The rapid development of cross-border electronic transactions in the digital era poses major challenges in legal aspects and dispute resolution due to differences in jurisdiction. The Online Dispute Resolution (ODR) mechanism emerged as an innovative solution to overcome this complexity by utilizing effective and efficient digital technology. This study uses a normative juridical methodology with a comparative approach that analyzes Indonesian legal regulations related to the dispute resolution of cross-border electronic transactions and compares them with international practices. Data was collected through the study of key laws such as the ITE Law, the Consumer Protection Law, as well as implementing regulations and UNCITRAL international legal documents. The results of the study show that current Indonesian regulations do not fully accommodate cross-border ODR, there are legal loopholes and ambiguities related to jurisdiction, recognition of ODR decisions, and personal data protection. The international practices of the European Union and Singapore are important references for strengthening regulations that are adaptive and harmonious with global standards. The research proposes strengthening national regulations through harmonization, revision of laws, and the integration of technologies such as AI and blockchain to support credible and reliable ODR. Inter-institutional cooperation and public education are also an important focus in the implementation of ODR in Indonesia. In conclusion, strengthening comprehensive and adaptive legal regulations is the main key in supporting effective, fair cross-border electronic dispute resolution and increasing the competitiveness of the national digital economy in the era of globalization.*

Keywords: *Cross-Border; Electronic; Online; Resolution.*

1. Introduction

The rapid development of cross-border electronic transactions or *cross-border e-commerce* in the current digital era has brought about very fundamental changes in business practices and global trade activities. Advances in information and communication technology allow the exchange of goods and services virtually, without being limited by geographical distance, thereby expanding the market share of business actors to various countries in the world. The ease of access offered by this digital platform has driven the growth of *cross-border e-commerce* at a very rapid pace, making it easier for consumers and businesses to make transactions in *real-time*, anytime, and anywhere. On the one hand, this creates great opportunities in expanding market reach and increasing the efficiency and convenience of transactions. However, on the other hand, this phenomenon also poses great challenges, especially in the legal and dispute resolution aspects which also experience complexity along with the increase in cross-jurisdictional interactions.

Disputes that occur in cross-border electronic transactions tend to be more complicated than domestic disputes, because they involve different legal aspects from different countries. This requires the existence of a dispute resolution mechanism that can accommodate differences in the legal system while answering the demands of transaction actors for a fast, cheap, accessible, and effective settlement process(Dg. Takenang et al., 2025). The end of this transaction is not only a business issue, but also the trust of consumers and business actors in the existing dispute resolution system. Protracted legal and procedural uncertainties can hinder the growth of cross-border trade, creating an urgent need to develop dispute resolution mechanisms that can address the challenges of this digitalization era.

Answering this need, *Online Dispute Resolution* (ODR) emerged as an innovative and modern alternative in resolving cross-border electronic trade disputes.(Prasetyaji et al., 2024) ODR combines the principles of *Alternative Dispute Resolution* (ADR) with advances in digital technology, allowing the dispute resolution process to be carried out online without having to involve the physical presence of the parties in a court or conventional arbitration forum. The advantage of ODR lies in the ability to utilize information technology to speed up processes, reduce costs, and maintain data transparency and security. With the emergence of cutting-edge technologies such as *Artificial Intelligence* (AI), *blockchain*, and *smart contracts*, ODR is not only an alternative method of dispute resolution, but also a solution that is able to overcome the complexity of cross-jurisdictional disputes more effectively and efficiently. AI can help process data and provide an initial assessment of cases, *blockchain* ensures a secure and immutable trail of transactions, while *smart contracts* enable automated execution of terms agreed upon by the parties(Khatimah, 2024).

In this context, ODR is a representation of how digital technology and international law synergize with each other to present a dispute resolution system that is adaptive to the era of globalization and the digital revolution. In several developed and developing countries, ODR has been integrated into legal systems and dispute resolution practices, demonstrating its success in improving access to justice and creating a conducive business climate. However, despite this great potential, the regulatory arrangements that accommodate ODR in Indonesia are still very limited. Indonesia faces a number of legal obstacles, including the lack of specific provisions governing the detailed resolution of cross-border *disputes online* , as well as the lack of harmonization of national regulations with international standards and best practices(Susilowardani, 2024).

The main problem that arises is how Indonesia can strengthen and adapt the existing legal framework so that it is able to support the comprehensive and effective integration of ODR in cross-border electronic transactions. Regulations that are still partial and not yet explicit regarding ODR cause legal uncertainty for international business actors and consumers who transact with Indonesian business entities. This ambiguity can trigger high legal risks, reduce market confidence, and become a significant obstacle to the optimal utilization of digital trading potential. Therefore, a systematic in-depth study is needed to analyze existing regulations, identify gaps and contradictions, and formulate strategic steps to build cohesive, comprehensive, and responsive regulations to the needs of digital developments.

The study of this regulation must include the main laws governing electronic transactions in Indonesia, such as the Electronic Information and Transaction Law (ITE Law), the Consumer Protection Law, the Arbitration and Alternative Dispute Resolution Law (APS), as well as the Personal Data Protection Law (PDP Law) and its implementing regulations. However, relying solely on the provisions of national laws is not enough, because the cross-border dispute resolution mechanism requires a legal framework that is cross-jurisdictional and able to accommodate the diversity of laws that apply in various countries(Dewanto et al., 2024). Therefore, this study also reviews international legal instruments such as the UNCITRAL agreement on electronic trade and technical documents related to ODR, which are the main reference in the formation of standards for transnational electronic dispute resolution. This multidimensional approach is important so that the proposed regulations are not only nationally valid but also relevant and effective internationally.

Various previous studies have provided an important foundation in understanding the regulatory conditions of ADR and ODR in Indonesia. Most of the existing literature discusses more conventional ADR such as mediation and face-to-face arbitration, while specific discussions on ODR are still very limited and have not touched on the integration aspect of digital technology comprehensively. This indicates a conceptual deficiency that must be completed immediately given the rapid technological advances that have changed the dispute resolution paradigm. At the international level, comparative research on ODR models in the European Union, Singapore, and Australia, as well as the implementation of the UNCITRAL guidelines, has shown how ODR regulations and practices can streamline the cross-border dispute resolution process, improve access to justice, support consumer and business protection, and create strong market confidence.

The practice of *e-commerce* dispute resolution in Indonesia, which until now still tends to rely on traditional court mechanisms and conventional ADR, faces various obstacles such as the length of the process that must be taken, relatively high costs, and limited accessibility for some small and medium (Azura Alysa et al., 2025)business actors. This condition indicates the need for innovation in dispute resolution mechanisms that can respond to the demands of higher efficiency and accessibility. ODR is presented as a potential solution that is able to eliminate distance barriers, speed up the settlement process, and reduce the cost burden, so that it can better accommodate the needs of transnational electronic transaction actors.

However, there is a significant regulatory gap in Indonesia related to the implementation of ODR, one of which is the lack of regulations that specifically and explicitly regulate the resolution of cross-border electronic disputes. The unavailability of solid regulations that are in sync with international standards as adopted by UNCITRAL or the EU ODR Regulation has negative implications for legal certainty and international market participants' trust in the dispute resolution system in Indonesia. In addition, synergy between various stakeholders, such as *e-commerce platform* operators, dispute resolution institutions, and regulatory authorities, is still not optimal. This is a major obstacle in building an integrated and sustainable ODR system, which is necessary for ODR to function effectively as a tool for cross-border dispute resolution.

At the global level, advanced technology trends have accelerated the transformation of dispute resolution systems. The use *of big data analytics* and AI has provided more accurate risk analysis capabilities and prediction of dispute outcomes. Securely verified digital identities enable the authentication of parties transacting online, while *smart contracts* enable automatic execution of agreed terms, reducing the risk of breach of contract. These technologies not only improve process efficiency, but also strengthen the security and transparency aspects, which are key elements in building the trust of ODR system users(Schmitz & Rule, 2019).

The opportunity for ODR development in Indonesia is huge if supported by close international collaboration, especially in terms of regulatory harmonization and adoption of relevant international standards. National regulatory updates should be directed to accommodate the integration of the latest technologies and strengthen coordination between organizing agencies so that ODR can operate holistically and effectively. In the long term, strengthening regulations for ODR integration is not only an important step in supporting the development of cross-border electronic commerce, but also a strategic part of building a national legal system that is adaptive, responsive, and open to global innovation.

Thus, the restructuring and strengthening of Indonesian legal regulations to support ODR integration is a necessity that cannot be postponed. This is a strategic effort to answer the challenges of the times while opening up great opportunities for the development of national electronic commerce in an increasingly competitive digital era. Strong and harmonious regulations will create legal certainty that is the main foundation in building *a healthy, fair, and sustainable cross-border e-commerce ecosystem, while strengthening Indonesia's position in the eyes of the world as a country that is able to manage the dynamics of digital trade laws in a modern and comprehensive manner*.

2. Research Methods

The research methodology used in this study is normative juridical with a comparative approach, which is designed to explore and analyze Indonesian legal regulations related to the integration of *Online Dispute Resolution* (ODR) in the settlement of cross-border electronic transaction disputes. The normative juridical approach was chosen because the main focus of this study is on the study and interpretation of applicable legal norms, as well as comparing best practices from other countries in order to provide recommendations for strengthening legal regulations that are relevant and applicable to the Indonesian context.

In data collection and analysis, this study uses several complementary approaches. First, the statutory approach is applied to examine in depth the legal provisions that govern electronic transaction disputes in Indonesia. The study focused on the Electronic Information and Transaction Law (ITE Law), the Consumer Protection Law, the Arbitration and Alternative Dispute Resolution Law (APS), and the Personal Data Protection Law (PDP Law) and its related implementing regulations. This study is important to understand the main legal framework that forms the regulatory basis for electronic dispute resolution in Indonesia, especially those related to consumer protection aspects, dispute resolution mechanisms, and the management of personal data in digital cross-border transactions.

Second, the research adopts a conceptual approach as a theoretical conceptual basis to build a solid analytical framework. This approach includes the study of *Alternative Dispute Resolution* (ADR) theory, *e-commerce law*, private international law, and digital law integration. By examining these theories, the research can explore the fundamental concepts and principles underlying the implementation of ODR in a global context, as well as look at how the application of digital technology changes the dynamics of cross-border dispute resolution. This conceptual approach also helps clarify the basis of the philosophy and legal policies applicable to the development of ODR regulations in Indonesia.

Furthermore, using a comparative approach, this study compares the implementation and regulation of ODR in several developed countries that have already adopted effective cross-border electronic dispute resolution mechanisms, such as the European Union, Singapore, and Australia. This comparative approach is important because it allows an assessment of the advantages and disadvantages of Indonesia's existing regulatory system and dispute resolution practices compared to international standards and best practices. Through this comparison, the research seeks to identify regulatory gaps and aspects that need to be strengthened, as well as explore policy insights that can be adapted to improve the effectiveness of ODR in Indonesia.

In addition, the study also uses a complementary case approach, if possible, to examine *relevant e-commerce* or *online* arbitration dispute decisions in Indonesia and other countries. This case study provides an empirical overview of how theory and regulation are applied in dispute resolution practices, the challenges faced, and the solutions that have proven to be effective in the context of cross-border ODR. This case study also adds a more concrete and contextual dimension of analysis in search of realistic and impactful policy recommendations.

In terms of legal sources, the research framework uses different types of sources systematically. Primary sources consist of laws, government regulations, related regulations issued by the Financial Services Authority (OJK) and the Ministry of Communication and Information Technology (Kominfo), as well as international agreements and official documents of UNCITRAL (United Nations Commission on International Trade Law) which play an important role as references for international legal norms related to the settlement of electronic transaction disputes. Secondary sources include academic law journal articles, textbooks that discuss regulations and related theories, and reports from international organizations such as the OECD, UNCITRAL, and ICC that contain policy analysis and guidelines for the implementation of ADR and ODR. Meanwhile, tertiary sources include legal encyclopedias, legal dictionaries, and official data obtained from government websites and international institutions, which serve to strengthen the basis of understanding and definition of the terminology used.

Data analysis is carried out using the method of legal interpretation or legal hermeneutics, which focuses on understanding the meaning and context of legal norms within the framework of applicable laws and regulations. This interpretation is carried out critically to assess the suitability and integration between positive legal norms and the development of cross-border digital dispute resolution practices. Furthermore, comparative analysis is used to compare findings from regulations and practices in various jurisdictions, so that the best patterns can be identified that can be adopted or modified according to Indonesia's needs. This analytical approach is expected to produce policy recommendations that are not only normative and theoretical, but also practical and applicable in strengthening ODR regulations as a solution to dispute resolution of cross-border electronic transactions in Indonesia.

With this comprehensive methodology, the research seeks to make a significant academic and practical contribution to the development of a national legal framework that supports digital innovation in dispute resolution, while strengthening Indonesia's position in the international legal order in the era of digital transformation.

3. Results and Discussion

3.1. The Positive Legal Analysis related to Electronic Transactions in Indonesia

Indonesia's current legal regulations related to electronic transactions have undergone significant development in line with the rapid advancement of information and communication technology. Some of the main laws that form the foundation of the legal framework in this field include the Information and Electronic Transactions Law (ITE Law), the Consumer Protection Law, the Arbitration and Alternative Dispute Resolution Law, the Personal Data Protection Law (PDP Law), and various technical regulations issued by the Ministry of Communication and Information Technology (Kominfo). The ITE Law is the main legal umbrella that regulates electronic transaction activities in Indonesia, regulates aspects of legality and dispute resolution mechanisms in general. On the other hand, the Consumer Protection Law provides protection for consumer rights, including in the context of electronic transactions that are growing and involving many parties at home and abroad. Then, the Arbitration and Alternative Dispute Resolution Law provides an out-of-court dispute resolution mechanism, which includes the potential use of online dispute resolution methods (ODR). Meanwhile, the relatively new PDP Law provides special supervision and regulations related to the protection of personal data in electronic transactions, which is a crucial aspect in maintaining the trust of digital market players. The technical regulatory support from Kominfo also shows the government's efforts to adapt the governance of electronic transactions to remain relevant to global developments.

However, the current regulations show a number of significant limitations that are the main challenges in resolving disputes over cross-border electronic transactions. One of the fundamental shortcomings is the absence of technical rules that specifically govern the implementation of cross-border ODR. Existing regulations are more oriented towards resolving disputes at the domestic level using arbitration mechanisms or conventional litigation, so they do not offer detailed guidelines regarding international procedures, authority, and recognition of awards. The absence of a detailed explanation of the cross-border ODR procedure causes legal uncertainty for electronic transaction actors operating globally, even though cross-border transactions are increasing and becoming an important part of the digital economy(Prasetyaji et al., 2024).

In addition, the issue of jurisdiction is also a real weak point in the current Indonesian legal framework(Kasanah et al., 2025). In the context of disputes between countries, there are no clear legal provisions regarding which institutions have the authority to resolve disputes and how the enforcement of ODR decisions can be carried out effectively in different jurisdictions. This ambiguity results in potential conflicts of authority that can prolong dispute resolution and create legal dilemmas for the parties involved. In practice, this can create legal uncertainty that has a negative impact on consumer and business actors' trust in the cross-border electronic transaction ecosystem.

The next limitation is the lack of adequate legal protection for consumers in cross-border transactions, which is a common phenomenon given the complexity of interactions between countries and the differences in the legal system in force. The Consumer Protection Law in Indonesia, although progressive, is designed to accommodate domestic transactions so that it does not provide guarantees or effective protection mechanisms for consumers in the event of disputes with foreign business actors. The protection of consumers' personal data in cross-border transactions is also still a challenge, considering the differences in treatment and data protection standards in different countries. As a result, the fulfillment of consumer rights and protection from adverse practices can be hampered by regulatory ambiguity and the lack of cross-jurisdictional enforcement mechanisms.

In a normative juridical study of these conditions, it can be concluded that current Indonesian legal regulations are not fully able to answer the needs of cross-border electronic transaction dispute resolution comprehensively and effectively(Verlyana et al., 2023). The existing arrangements are still *fragmented* and have not been systematically integrated, resulting in legal vacuums in dealing with specific problems that arise due to differences in jurisdictions and characteristics of cross-border transactions. Therefore, strengthening regulations with an integrative approach that accommodates cross-border ODR is needed in response to the challenges of globalization and economic digitalization that know no geographical borders. This step will not only increase legal certainty, but also strengthen consumer protection and encourage trust and growth of a globally connected national electronic transaction ecosystem. Through regulatory updates and policy development that are comparative and adaptive, it is hoped that Indonesia can move towards the implementation of a feasible, fair, and cross-border ODR system in accordance with the dynamics of evolving international law.

3.2. The Challenges in Implementing Online Dispute Resolution (ODR) in Indonesia

The application *of Online Dispute Resolution* (ODR) in resolving cross-border electronic transaction disputes faces various significant challenges that need to receive in-depth attention in strengthening legal regulations in Indonesia. One of the main challenges lies in the jurisdictional and recognition aspects of ODR arbitral awards. Given the nature of cross-border electronic transactions involving different legal systems and jurisdictions, the question arises of how ODR results from one country are recognized and can be legally enforced in another(Nur Hidayati et al., 2024). This creates juridical complexity that requires strict regulation so that ODR decisions have clear legal force and do not conflict with national and international legal systems. In the context of Indonesian law, regulations related to the recognition and implementation of arbitral awards from ODR forums are still not mature enough to create legal uncertainty and reduce the effectiveness of dispute resolution through electronic *platforms*.

In addition to these jurisdictional aspects, the issue of standardization of ODR platforms and the protection of users' personal data is also an important obstacle. The ODR platform as a digital dispute resolution medium must meet high technical and security standards so that transaction data and personal information of the parties are optimally protected. In today's digital age, concerns about data privacy and security breaches are increasing, especially when ODR platforms use cloud-based technology or there is third-party involvement from abroad. Therefore, there is a need for regulations that regulate technical standards, encryption mechanisms, and data protection protocols in accordance with the principles of global privacy and Indonesian personal data protection laws. The absence of clear standardization can lead to doubts for users of ODR services, which in turn undermines public trust and diminishes the success value of this online-based dispute resolution method.

The next challenge is related to infrastructure and the digital legal literacy of the community. The use of ODR requires the availability of adequate information technology infrastructure, including fast internet access and appropriate digital devices. Meanwhile, the legal and digital literacy of users also greatly determines the effectiveness of ODR(Fajri, 2025). The level of public and business people's understanding of legal rights and electronic dispute resolution procedures is often still low, especially in areas with limited access to technology. This condition has the potential to create gaps in access to justice and exclusion for certain groups from the dispute resolution process. Therefore, a comprehensive education program is needed to improve the ability of the community to use ODR technology correctly and understand relevant legal aspects, so that they can utilize this mechanism with full awareness and ability.

An equally important aspect is *legal interoperability* or conformity and harmonization between Indonesian national law and international law that regulates cross-border electronic transactions. Disputes that arise in the digital space often involve legal rules from various countries that have different systems and principles. *Legal interoperability* is the main foundation so that the legal rules that apply in various jurisdictions can support each other and not contradict each other when applied in the context of ODR. In Indonesia, there is no legal umbrella that explicitly regulates integration and alignment with international legal instruments related to ODR and cross-border electronic arbitration. This lack of synchronization risks making ODR decisions difficult to recognize globally and hampering effective dispute resolution efforts. A normative juridical approach needs to be used to review existing national legal frameworks and identify the need for harmonization with international legal instruments, such as the 1958 New York Convention and the related UNCITRAL *Model Law on International Commercial Arbitration* .

Overall, the challenges of implementing ODR in Indonesia in the context of cross-border electronic transactions include complex and multidimensional juridical aspects, which are not only related to the definition of jurisdiction and recognition of judgments, but also touch on the technical aspects of data protection, infrastructure readiness and user literacy levels, as well as the harmonization of national regulations with international(Solikhin, 2023) law. Understanding and addressing all these barriers comprehensively is crucial to creating an effective, trustworthy, and compliant ODR mechanism with technological developments and global digital trade needs. Efforts to strengthen legal regulations must be carried out with a holistic and normative approach in order to provide legal certainty, increase protection of the rights of the parties, and ensure legal interoperability that supports the settlement of cross-border disputes in a fair and efficient manner(Naomi et al., 2024).

3.3. International Practice and Benchmarking in Online Dispute Resolution (ODR) Integration

In the increasingly advanced digital era, cross-border electronic transaction dispute resolution is a complex legal challenge and requires adaptive and innovative regulations. The practice of regulating and implementing *Online Dispute Resolution* (ODR) in various countries is an important source of learning and benchmarking in efforts to strengthen regulations in Indonesia. An in-depth normative juridical approach needs to be carried out to understand how regulations in other countries can be used as a reference in the development of an effective ODR legal framework in accordance with the Indonesian context.

The EU has been a pioneer in integrating ODR into its consumer dispute resolution system, with the enactment of the EU ODR *Regulation* which requires *marketplace* providers to provide direct access to official ODR platforms. This regulation is based on the principles of openness, transparency, and ease of access for consumers who experience disputes in electronic transactions. The normative juridical aspect that is the foundation of the EU ODR Regulation emphasizes consumer protection as a weaker party (consumer protection) and ensures fairness and efficiency in dispute resolution without having to go through formal and lengthy litigation channels. The EU's experience demonstrates the power of integrating regulations with digital technologies, which can speed up cross-border dispute resolution at lower costs and shorter times, while reducing the burden on national courts. This demonstrates how digital platform-based arrangements can significantly expand access to justice in communication between member states.

Meanwhile, Singapore provides another concrete example through the Singapore Mediation Centre (SMC) which adopts the ODR mechanism in the resolution of commercial disputes, especially those involving electronic trade in the ASEAN region. SMC as a mediation center that is integrated with digital technology offers an effective alternative mechanism but still prioritizes volunteerism and dialogue between the parties. The context of ASEAN regulations also emphasizes the importance of harmonizing *e-commerce* regulations in the region, which allows for mutual recognition and acceptance of dispute resolution results through ODR. From a normative juridical point of view, this means conformity with the principles of international law as well as the adaptation of domestic legal norms to regional trade dynamics. The Singapore model also shows that the role of ODR mediation institutions can bridge the differences in jurisdiction and legal culture in the ASEAN region, thereby encouraging the creation of legal certainty and a sense of justice among business actors.

At the international level, UNCITRAL (United Nations Commission on International Trade Law) has issued Technical Notes on ODR which serves as a universal standard for online dispute resolution. UNCITRAL is not only an important normative juridical foundation, but also affirms the basic principles that must be met in the implementation of ODR, including process transparency, the availability of efficient access mechanisms, and the protection of the rights of the parties. This document is a legal guideline designed to be adaptable by various countries, bringing together various national legal approaches with global needs. With these standards, UNCITRAL sends a strong signal about the importance of ODR as a modern instrument in the international dispute resolution system, while building a flexible and inclusive legal framework.

Through normative juridical analysis of practices in the European Union, Singapore, and the UNCITRAL international guidelines, strategic opportunities were identified for Indonesia to adopt similar regulations. The implementation of ODR in the Indonesian context requires adaptation of regulations that take into account the characteristics of national law, the judicial system, as well as the evolving digital and information technology conditions in Indonesia. Strengthening ODR regulations in Indonesia has great potential to resolve cross-border electronic transaction disputes more effectively, efficiently, and fairly. The approach used by these countries can be a benchmark in designing a legal framework that not only protects consumers and business actors, but also supports the development of the national digital economy at the global level.

Juridically normative, the adaptation process must pay attention to the continuity with the applicable legal norms in Indonesia, such as the Electronic Information and Transaction Law (ITE Law) and consumer protection provisions. The involvement of regulators, dispute resolution institutions, and digital market players is also a determining factor for the success of ODR integration. Therefore, ODR integration does not only involve technology, but also updates to legal governance and dispute resolution systems that are able to answer cross-jurisdictional challenges and increasingly complex e-commerce dynamics. Similarly, harmonization with international provisions is essential for Indonesia to actively participate in global digital trade with credible and trustworthy dispute resolution mechanisms.

With this in mind, strengthening legal regulations for ODR integration in Indonesia is not only to meet the demands of technological developments and electronic commerce, but also as a strategic step to strengthen Indonesia's position in the global trade law architecture as well as protect the rights of all parties involved in cross-border electronic transactions. A comparative approach that uses international practices as a benchmark provides a strong foothold in formulating comprehensive and applicable policy recommendations to support the creation of an effective and equitable ODR system in Indonesia.

3.4. The Strengthening and Adapting Indonesian Regulations for Online Dispute Resolution (ODR) Integration

The rapid development of cross-border electronic transactions brings with it complex legal challenges in resolving disputes effectively and efficiently(Widjaja et al., 2018). In this context, *Online Dispute Resolution* (ODR) emerged as an innovative solution that can bridge geographical boundaries while streamlining the dispute resolution process. However, in order to optimally implement ODR in Indonesia, there is an urgent need to strengthen and adapt national regulations to be in line with technological dynamics and international standards. Normative juridical studies conducted on the applicable regulations in Indonesia, especially Law Number 11 of 2008 concerning Information and Electronic Transactions (UU ITE) and its implementing regulations, show that there are incompleteness in the rules governing online dispute resolution, especially those involving parties in the cross-border (Prasetyaji et al., 2024)Scope. Existing regulations provide more space for conventional dispute resolution, so they have not explicitly accommodated the ODR mechanism as an officially legally recognized method. Therefore, it is very important to harmonize national regulations with international standards that have been established and recognized globally, such as *the Model Law on ODR* from the *United Nations Commission on International Trade Law* (UNCITRAL), the provisions *of the World Trade Organization* (WTO), and the framework guidelines prepared by ASEAN. This harmonization not only ensures compliance with global rules but also provides legal validity and protection guarantees for parties who use ODR as a means of resolving cross-border electronic disputes.

Furthermore, in order to strengthen the law at the domestic level, it is necessary to prepare new derivative rules detailing the procedures for the implementation of official ODR. The preparation of this regulation cannot only translate international standards, but must be adjusted to the social, cultural, and legal conditions in Indonesia. These derivative rules can be manifested in the form of government regulations, ministerial regulations, or even technical guidelines that are binding for relevant institutions, including online mediation and arbitration procedures, formal requirements for submitting disputes, technology-based mediators or arbitrators appointment mechanisms, and digital rights protection schemes for users(Mansyur & Kamil, 2014). The normative juridical reference to the formation of the rule shows that legal drafting must synergize the principles of legal certainty, usefulness, justice, and protection of human rights. By presenting a solid and comprehensive derivative rule, ODR is not only an alternative option for dispute resolution, but also a legal mechanism and officially recognized in the Indonesian judicial and dispute resolution system.

The integration of the national system with the global ODR platform is the next challenge that must be answered so that Indonesia is not left behind in the era of international electronic commerce that is increasingly rampant. From a juridical perspective, this integration needs to be supported by a regulatory framework on data interoperability that ensures the compatibility of information technology systems between domestic ODR platforms and *international platforms*. Regulations that regulate this aspect must include provisions regarding data security standards and privacy protection in accordance with the personal data protection principles enshrined in the Personal Data Protection Law (PDP Law) and by paying attention to the regulatory aspects of cross-border data flows that are also regulated by international law. A comprehensive normative approach requires regulations that can facilitate the legal and secure exchange of data without ignoring the principle of national data sovereignty. This is particularly significant given that many cross-border electronic transactions involve the exchange of highly sensitive consumer and corporate data. Failure in this legal and technical integration can cause legal uncertainty, privacy violations, and public hesitancy in using ODR as a dispute resolution mechanism.

Synergy between government and non-government agencies is an important foundation for navigating the complexity of ODR regulation and implementation in Indonesia. The Ministry of Communication and Information Technology (Kominfo) as the controlling authority for information technology, the Indonesian National Arbitration Board (BANI) as an arbitration institution that has experience in resolving commercial disputes, the National Consumer Protection Agency and *digital marketplace* players must sit together in order to build a collaborative framework that clearly regulates their respective roles. Juridical studies show that this collaborative framework must be based on legally binding regulations and build transparent and accountable governance. The role of Kominfo, for example, is very crucial in terms of regulating ODR technology and software, while BANI plays the role of a legal mediator and arbitrator who has competence. The Consumer Protection Agency has a central function in providing protection of consumers' rights while bridging their complaints in the context of cross-border transactions. Meanwhile, *the marketplace* as the vanguard of digital transactions needs to be regulated normatively to provide access and support for parties to use ODR without technical barriers, for example by providing a direct referral feature to official ODR platforms. All of these synergies indicate that strengthening regulations is not only normative but also implementive through effective institutional arrangements and cooperation mechanisms between these institutions.

In terms of technology, the application of innovations such as AI-moderated mediation and blockchain-based *smart contracts* in the online dispute resolution process has juridical consequences that cannot be ruled out. The use of artificial intelligence in moderating mediation must be complemented by regulations that affirm algorithmic transparency, the validity of the resulting judgments, and protection against algorithmic bias or discrimination to ensure procedural fairness. This is important to maintain the principle of trust and legal certainty for the parties to the dispute. Additionally, blockchain-based *smart contracts* provide an advantage in terms of automated execution of the deals that have already been generated, thereby reducing the risk of breaches and potential for further disputes. Regulations that regulate *smart contracts* must establish limits on their legality, verification mechanisms, and settlement mechanisms in the event of technical problems or further disputes. In addition, a cross-border ODR system must include strict cross-border data flow regulations in accordance with international standards, to ensure that data flows do not violate consumer protection and privacy rules, and still respect state sovereignty. Through this strict normative approach to technology regulation, Indonesia can ensure that technological innovations in the context of dispute resolution contribute to justice, efficiency, and legal certainty without neglecting ethical aspects and protection of user rights.

Overall, the strengthening and adaptation of Indonesian regulations in integrating ODR for cross-border electronic transaction dispute resolution should be seen as a sustainable and comprehensive process that combines the harmonization of international law, the establishment of detailed domestic rules, the integration of technological systems, synergy between institutions, and the adaptation of technological innovations with a strong(Verlyana et al., 2023) Legal umbrella. The normative juridical approach is a very important instrument to examine and structure this legal framework so that it reflects the principles of justice, legal certainty, and benefits for all stakeholders. With a strong and integrated regulatory foundation, Indonesia will not only increase the effectiveness of cross-border electronic dispute resolution, but also strengthen the national legal position in the increasingly competitive dynamics of global electronic trade and transactions in the future.

3.5. The Conceptual Model and Policy Recommendations for Strengthening Cross-Border ODR Regulations in Indonesia

Strengthening Indonesian legal regulations to integrate *cross-border Online Dispute Resolution* (ODR) is an essential strategic step. This normative juridical approach to regulatory development places ODR not just as an alternative mechanism for dispute resolution, but as a legal instrument that must have a clear legal umbrella in order to ensure legal certainty, justice, and the effectiveness of cross-border dispute resolution. The proposed conceptual model draws on positive legal principles and international best practices, in particular from various developed country regulations and international legal instruments related to ODR.

Indonesia's draft legal framework to support cross-border ODR should be based on the development of substantive and procedural norms that are able to address jurisdictional challenges, consumer protection, recognition and enforcement of judgments, and the confidentiality of data contained in electronic disputes. In this context, the Electronic Information and Transaction Law (ITE Law) needs to be updated by including provisions that explicitly regulate the existence and function of ODR as a mandatory stage before litigation efforts in national courts can be taken(Aziz & Hidayah, 2020). This aims to ensure that electronic transaction dispute resolution can be carried out quickly, cheaply, and easily accessible by the parties involved, especially consumers and business actors from various jurisdictions. Thus, ODR procedures should be integrated within the systematic framework of Indonesian legal regulation through the amendment of strategic articles that accommodate digital mediation, arbitration, and negotiation mechanisms as part of the formal legal foundation.

No less important is the protection of electronic consumers across national borders, which must be firmly enshrined in the revision of the Consumer Protection Law. The draft framework draws on the wisdom of international best practices, such as the *European Union ODR Regulation* and Singapore's *national* e-Cas *platform*, which prioritizes the principles of transparency, accountability, and accessibility. Regulations must guarantee consumers' right to justice, by setting up effective *enforcement* mechanisms so that dispute resolution decisions through ODR are recognized and legally binding across jurisdictions. For example, the principle *of mutual recognition* of ODR decisions between countries is an important foundation in ensuring the acceptance of judgments and preventing legal arbitration. Administrative mechanisms and oversight from national consumer protection agencies should also be strengthened, including the establishment of clear authority over cross-border complaints(Mazli, 2021).

Normatively, the demand for harmonization of domestic regulations with human rights and personal data protection instruments is an integral part of this draft legal framework. This is because electronic disputes are often related to the handling of personal data that is vulnerable to misuse, so ODR regulations must be equipped with data protection provisions that are in accordance with the Personal Data Protection Law as well as international standards such as GDPR. The harmonization of these articles aims to create a balance between the need for efficient dispute resolution and the protection of freedom of contract and privacy. Thus, the amendments to the ITE Law and the Consumer Protection Law must not only focus on the dispute resolution aspect, but also on the aspect of comprehensive digital legal protection.

In addition to the reform of domestic legislation, the ratification of various international instruments is a crucial step to ensure the relevance and effectiveness of the cross-border ODR system in Indonesia. The ratification of *the Model Law on ODR* prepared by the *United Nations Commission on International Trade Law* (UNCITRAL) must be a priority agenda so that Indonesian law can adopt universally recognized international guidelines. By following this *model law* standard , Indonesia can place ODR in an integrated legal framework so that it can be recognized and complied with internationally. Furthermore, ratification of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards can also strengthen the position of cross-border ODR awards to have valid executory legal force, addressing the issues of rule of law and jurisdiction that often hinder the resolution of cross-border disputes. This international step not only gives legitimacy but also paves the way for cooperation between countries in building an effective and efficient ODR ecosystem.

In formulating the roadmap for ODR development in Indonesia for the next five to ten years, it is necessary to carry out structured planning involving multidimensional regulations, technology, human resource capacity, and continuous monitoring and evaluation. The initial stage is suggested to focus on harmonizing and amending basic regulations that are the foundation of cross-border ODR, as well as developing digital infrastructure that is able to bridge access to online dispute resolution. Governments and stakeholders should create *a* centralized ODR platform that is integrated with national justice systems and consumer protection agencies, so that users can easily access services without geographical barriers. Improving the competence of mediators, arbitrators, and legal officials who understand aspects of law and digital technology is a priority in building a professional and credible ecosystem(Limiardo et al., 2024). This roadmap also needs to contain a plan to implement pilot projects in strategic sectors such as *e-commerce*, fintech, and creative industries as a form of trial as well as learning for sustainable development.

Periodic evaluation and empirical studies of the implementation of cross-border ODR must be an integral part of the roadmap so that the policies implemented can be adapted to market and technological dynamics. Multi-stakeholder cooperation, between the government, the private sector, academics, and international organizations will enrich policies based on data and field experience so that strengthening regulations does not stop at the level of formality, but produces real impacts in the form of increasing access to justice, consumer protection, and the competitiveness of the national digital economy. Overall, this conceptual model and policy recommendations are an important foothold in designing a cross-border ODR system that is integrated, effective, and in accordance with global legal and technological developments, supporting Indonesia to play a more active role in the fair and sustainable governance of international electronic transactions.

4. Conclusion

Thus, the strengthening of Indonesian legal regulations for the integration of ODR in cross-border electronic transaction disputes should be seen as a momentum for fundamental reform in the national legal system. These reforms should be oriented towards creating an adaptive legal framework in the digital age, which supports the ease of doing business without sacrificing legal protection and justice for all parties. The comparative and normative approach adopted in this study proves that the best solution is not only to adopt an external model, but to integrate it contextually by upholding the sovereignty of national law and compliance with international norms. In the future, the success of strengthening these regulations will depend heavily on the commitment between the government, the private sector, and the legal community in harmonizing innovative dispute resolution technologies, policies, and practices that are still based on firm and clear laws. Successful ODR integration not only strengthens the competitiveness of Indonesia's digital economy in the global arena, but also strengthens the rule of law as the foundation for sustainable economic development and social justice. In other words, this regulatory enforcement is the main key in answering the challenges of the increasingly complex electronic commerce era and requires effective, efficient, and reliable dispute resolution solutions at the cross-border level.

5. References

Aziz, M. F., & Hidayah, M. A. (2020). Perlunya Pengaturan Khusus Online Dispute Resolution (Odr) Di Indonesia Untuk Fasilitasi Penyelesaian Sengketa E-Commerce. *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional*, *9*(2), 275. https://doi.org/10.33331/rechtsvinding.v9i2.449

Azura Alysa, N., Husniyyah, D., Gamelia L, F., Suherman, A., & dkk. (2025). Pengaruh Penerapan Alternative Dispute Resolution (Adr) Melalui Mediasi Terhadap Efektivitas Perlindungan Hak Konsumen Di Indonesia. *Jurnal Kajian Hukum Dan Kebijakan Publik*, *3*(1), 59–66.

Dewanto, J. P., Amalia, P., Budhijanto, D., & dkk. (2024). Legal Recognition of Online Arbitration in Indonesia Related with CIETAC Online Arbitration Rules (CIETAC OAR). *De Lega Lata: Jurnal Ilmu Hukum*, *9*(2), 181–195. https://doi.org/10.30596/dll.v9i2.20092

Dg. Takenang, J., Akib, M., Sudirman, S., Umar, W., Alfurqon, F. F., & dkk. (2025). E-Commerce Dispute Resolution Through Online Dispute Resolution. *Sasi*, *31*(2), 117. https://doi.org/10.47268/sasi.v31i2.2865

Fajri, S. (2025). Entrepreneurial Opportunities In Online Dispute Resolution (ODR). *Jurnal Hukum Dehasen*, *1*(1), 15–22.

Kasanah, S. T., Pasca Testa A, G. O., Nugroho, L. D., & dkk. (2025). Peran Hukum

Perdata Internasional dalam Penyelesaian Sengketa Waris Antarnegara: Studi Kasus WNI dan WNA. *Al-Zayn : Jurnal Ilmu Sosial & Hukum*, *3*(3), 1448–1458. https://doi.org/10.61104/alz.v3i3.1385

Khatimah, H. (2024). Penyelesaian Sengketa Smart Contract dalam Teknologi Blockchain. *Kultura: Jurnal Ilmu Hukum, Sosial, Dan Humanior*, *2*(9), 240–257.

Limiardo, M., Reinhart, F., Karyn, K. O., & dkk. (2024). Ketidaksesuaian Komitmen Indonesia Dalam Perjanjian Internasional Untuk Mengakui Putusan Arbitrase Asing. *Jurnal Kewarganegaraan*, *8*(1), 676–681.

Mansyur, M. A., & Kamil, H. (2014). Kajian Hukum Online Dispute Resolution (Odr) Di Indonesia Berdasarkan Undang-Undang Nomor 30 Tahun 1999. *Jurnal Pembaharuan Hukum*, *1*(2), 111. https://doi.org/10.26532/jph.v1i2.1461

Mazli, A. (2021). Urgensi Pembaharuan Undang-Undang Perlindungan Konsumen Indonesia Di Era E-Commerce. *Jurnal Lex Renaissance*, *6*(2), 298–312. https://doi.org/10.20885/jlr.vol6.iss2.art6

Naomi, C. S., Aselina, I., Aljabar, M. I., & Febriansah, R. (2024). Perlindungan Konsumen Dalam Transaksi E-Commerce Lintas Batas Negara. *Causa: Jurnal Hukum Dan Kewarganegaraan*, *9*(7), 51–60. https://doi.org/doi.org/10.3783/causa.v2i9.2461

Nur Hidayati, M., Suartini, & Saraswati, M. (2024). Menggagas Penyelesaian Sengketa Online (Online Dispute Resolution) pada Kegiatan Transaksi Elektronik di Indonesia. *Sang Pencerah: Jurnal Ilmiah Universitas Muhammadiyah Buton*, *10*(1), 225–244. https://doi.org/10.35326/pencerah.v10i1.4523

Prasetyaji, A. P., Firnanda, A., Gavin, D., & dkk. (2024). Online Dispute Resolution (ODR) dalam Penyelesaian Sengketa Cross Border E-Commerce Guna Mewujudkan Perfect Procedural Justice. *Jurnal Ilmu Hukum, Humaniora Dan Politik*, *5*(2), 878–891. https://doi.org/10.38035/jihhp.v5i2.3283

Schmitz, A. J., & Rule, C. (2019). Online Dispute Resolution for Smart Contracts. *Journal of Dispute Resolution*, *2*, 103–126.

Solikhin, R. (2023). Perkembangan dan Urgensi Penerapan Online Dispute Resolution (ODR) dalam Penyelesaian Sengketa Perdagangan Elektronik di Indonesia. *Padjadjaran Law Review*, *11*(1), 66–80. https://doi.org/doi.org/10.56895/plr.v11i1.1235

Susilowardani, S. (2024). *Reconstruction of Online Dispute Resolution in Indonesian Regulation*. Atlantis Press SARL. https://doi.org/10.2991/978-2-38476-218-7_107

Verlyana, P. S., Suratman, & Ayu, I. K. (2023). Mekanisme Penyelesaian Sengketa Transaksi Elektronik Lintas Batas Menurut Undang-Undang Nomor 19 Tahun 2016 Tentang Perubahan Atas Undang-Undang Nomor 11 Tahun 2008 Tentang Informasi Dan Transaksi Elektronik. *Dinamika*, *29*(2), 8440–8454.

Widjaja, G., Prestika, A., Hartanti, O. P., Fazrin, A., & dkk. (2018). Penyelesaian Sengketa Transaksi Elektronik. *Cross-Border*, *1*(1), 229–251.