

Topic: Human Right Issues of Artificial Intelligence (AI) Gaps and Challenges, and Affected Future Legal Development in Various Countries

Business Transaction Dispute Resolution in The Digital Era Online (Online Dispute Resolution)

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Abstract. *The development of highly advanced information technology has revolutionized the way of trading carried out in society. Traditional practices engage with sellers and buyers at physical locations certain locations have been replaced by the ability to conduct transactions from any location with the help of information technology. The emergence of e-commerce, or online trading, has experienced exponential growth and has become an integral part of individuals' daily lives especially those who live in urban areas. However, in addition to its positive impact, ecommerce also presents certain negative consequences due to slow development regulatory laws that correspond to the rapid expansion of this form of commerce. One problem important in relation to the current state of settlement institutions. Research methodology used in this research is normative juridical legal research, which involves comprehensive examination of the law and relevant cases. From the research carried out shows that the implementation of online arbitration is almost the same as the arbitration procedure conventional, with the exception that special provisions regarding online specifications must be entered and the online arbitration Award is considered valid as long as it complies with the basic principles arbitration.*

Keywords: *Business; Dispute; Digital; Settlement.*

1. Introduction

Currently, technological developments and advances are very rapid affects all aspects of society's life. This problem cannot be separated from the emergence of the internet which forces people to adapt to its existence and the consequences of the existence of the internet itself. This condition has greatly influenced the world economy, the world economy is entering a new phase which is more popular with the term digital economy.

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Its existence is marked by the increasingly widespread economic activities that utilize the internet as a medium for communication, collaboration and cooperation (Barkatullah, 2007).

Business issues are not only related to conventional business trade, but have shifted to modern trade or modern business which is characterized by the involvement of the internet in its implementation. Currently to market the product The newest thing in a company is simply to announce the product through social media and the company's website. One other supporting aspect is that economic activities that use E-Commerce are trade transactions between 2 (two) parties, namely the seller and the buyer using internet media (Akel et al., 2021).

The concept of e-commerce relates to the exchange of commodities or services facilitated by electronic modalities. On the other hand, the influence of the presence of the Internet on the development of consumer information technology forces consumers to become more intelligent and specific when choosing products. In addition, for manufacturers, this victory produces a constructive effect by streamlining product distribution, thus saving resources and time. (Fachurrahman et al., 2023).

On the other hand, because there is no face-to-face interaction between the parties On the other hand, because there is no face-to-face interaction between the parties involved, the potential for fraudulent activity or interference arises, raising concerns significant that demands vigilance. Adverse impacts of electronic commerce especially affecting consumers. Among various issues, requested items fail to align with the item received, and other differences arise with respect to the requirements previously agreed. An illustrative example is a scenario where an individual purchases goods online, only to find that the actual product obtained does not have similarity to the visual depiction presented in the advertisement. There is a correlation between sellers and buyers in the field of trade electronic. legal relationships that generate rights and responsibilities, in essence has been regulated in legal rules which are referred to as legal relations. Civil law describes the rights and responsibilities of individuals involved in a legal relationship, which includes written provisions under the guise of statutory regulations and unwritten rules in the form of customary law and habits prevalent in society.

Enforcement of civil material law primarily applies in cases where there is violations in the implementation of legal relations, which require a set of legal regulations addition to the law governing the legal relationship (civil law material). These legal regulations are known as Formal Law or Civil Procedure Law, and The settlement is carried out through judicial

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institutions. However, the function of judicial institutions It has been the target of criticism and condemnation from various parties due to various complex issues surrounding the Indonesian justice system, such as the slow dispute resolution process, costs exorbitant courts, less responsive in resolving cases, resulting in poor decisions it often fails to address the underlying problem, and there is a backlog of cases that have not resolved at the Supreme Court level (Salami & Bintoro, 2008).

Protracted and complicated dispute resolution has a negative impact on individuals who seeks justice in all aspects, especially when it comes to the commercial realm, because it produces a high-cost economy and consumes potential and resources company. As a result, this creates disharmony in professional relationships fellow business colleagues. In the business sector, fast dispute resolution, cost efficiency, and informal procedures are essential. Considering the emergence of e-commerce aims to alleviate challenges associated with traditional business transactions, not anticipated that the judicial dispute resolution model will be applied, because it will only be awaste time and source Power.

Matter This is the reason for the formation of dispute resolution arrangements faster business and then in 1999 Law no. 30 1999 concerning Arbitration and Alternative Dispute Resolution on the 12th August 1999 which opened up a wide opportunity to resolve cases business outside the court. Based on the above, the author is interested in discussing Online Dispute Resolution of Business Transactions in the Digital Era (Online Dispute resolution).

2. Research Methods

This research uses normative legal research methods that utilize statutory approach and conceptual approach. This research was carried out by researching material obtained from various legal regulations and other sources found in literature. The type of data used in this research is secondary data originating from primary legal materials and secondary legal materials. Some examples of this data consist of Laws Consumer Protection, ITE Law, Law no. 30 of 1999, Regulations Government No. 80 of 2019, Minister of Trade Regulation Number 50 of 2020, Minister of Trade Regulation No. 72 of 2020, books, journals, news and other written works relevant to the problem consumer protection and dispute resolution. This data was collected through study methods library, and its existence will be analyzed through qualitative descriptive techniques. (Situmorang, 2022).

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3. Results and Discussion

3.1. Procedures for Resolving Business Transaction Disputes in the Digital Era Online (Online Dispute Resolution)

Every business dispute that occurs must of course be resolved quickly. The more If there are many and extensive trading activities, the occurrence of disputes will be higher resulting in many disputes that must be resolved. If there is a business dispute late completion will result in economic development being inefficient, productivity decreases, the business world is barren, production costs increase and lead to the welfare and social progress of workers is hampered (Morgono, 2000).

Conventionally, commercial dispute resolution is generally resolved through court (litigation). According to Suparman, the settlement process is more litigation-based Domination style causes the positions of the parties to be in conflict so that it is impossible to hope for a decision with an integration concept that is a win-win solution. In addition, the process of resolving disputes through court takes quite a long time so it can create uncertainty for the company or the disputing parties in running their business (Suparman, 2004).

Currently in the business world, the demand for dispute resolution through the courts (litigation) is still lacking. Even in cases where a resolution is finally reached through the judicial system, it is considered a last resort (Ultimum Remedium) if all other efforts fail. Therefore, there is a need to identify systems that are appropriate, effective, and efficient. Bearing this in mind, the modern business world is increasingly embracing Alternative Dispute Resolution (ADR) as a means to resolve disputes quickly and economically.

The higher the level of business activity conducted electronically, the greater the likelihood of encountering potential electronic disputes. Such disputes usually arise due to the inclusion of legal provisions in electronic agreements. In general, business disputes can be resolved through litigation or non-litigation processes. However, considering the increasing demand from business people for more practical, efficient, and effective dispute resolution, especially when the parties are geographically distant, and considering the rapid advancement of information technology, new and innovative approaches to resolving Fintech business disputes have emerged. This approach, known as Online Dispute Resolution (ODR), combines Alternative Dispute Resolution (ADR) with information technology to resolve conflicts that arise in online business transactions. The National Center for State Courts defines ODR as a digital-based public platform where parties can seek resolution to their disputes.

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Communication between parties involved in resolving ODR disputes facilitated by electronic systems, such as video conferencing or web conferencing, which using various digital tools such as e-mail, listservs, chat rooms, and instant messaging to streamline the ODR process. Apart from that, arbitrators and mediators carry out settlements ODR disputes are aided by a bulletin board feature that allows realtime audio visual streaming and management content for download And processing data information from parties Which disputes. Examples of media dispute resolution services include Neutral Internet, Square Trade, and Web Mediate, where one party completes an electronic form for identify online problems and offer several solutions for the mediator to review in an electronic system. Traditionally, there are three parties involved in the settlement

alternative disputes, namely the disputing party and a neutral third party. However, method ODR is different because it involves four parties, namely the disputing party, the mediator or arbitrator as a neutral third party, and information technology media used in The ODR system acts as a “fourth party” in the dispute resolution process. Presence The fourth party in the ODR system improves the organization of dispute resolution activities and information management, thereby increasing efficiency.

A fourth party facilitates categorize the type of dispute before conducting a face-to-face session via video conference and improve the process of identifying parties involved in dispute resolution through online meetings (Chandra, 2014). According to Randall Butler, a lawyer in the US, the complexity of the dispute correlates with the needs of the fourth party. For example, Smart Settle, online mediation platforms, employing fourth parties for information and data retrieval uses algorithmic systems to evaluate disputes and provide feedback regarding potential settlement solutions to the disputing parties (Sari et al., 2022).

3.2. The validity of resolving business transaction disputes in the Digital Era Online Dispute Resolution)

The configuration of online arbitration awards is different from conventional arbitration awards. Online arbitration uses electronic media in digital format for the adjudication process, whereas conventional arbitration requires a written decision signed by arbitrator or arbitration panel, as regulated in Article 54 paragraphs (2) and (3) of Arbitration Law (Nugroho, 2015).

According to Article 59 paragraph (2) of the Arbitration Law, the legal basis is written necessary for an arbitration award, implying that in order for a conventional arbitration award to be valid, it must be in writing, authentic, and supported by an arbitrator or arbitral tribunal. Similarly, for online arbitration, Article 67 sub-section (2) letter (a) of the Act Arbitration

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mandates that the award be in writing and in its original form, although still it is unclear whether the arbitrator's signature is mandatory.

If an arbitration award obtained online is deemed to be inauthentic, it renders the use of online dispute resolution mechanisms is futile, according to the provisions outlined in the article mentioned above. As a result, it can be said that the verdict online arbitration does not meet the requirements specified in the Arbitration Act. The development of information and technology also influences the development of evidence which can show that a legal fact has occurred. This evidence can be in the form of: telephone conversations, blood tests, computer results, photocopies, tape recordings, photography results (Ali & Heryani, 2012).

This is also strengthened by the existence of Law no. 19 of 2016 concerning Amendments to Law no. 11 of 2008 concerning Information and Transactions Electronic. According to Article 1 number 4 of the ITE Law: "Electronic documents are any electronic information that is created, transmitted, sent, received, or stored in analog, digital, electromagnetic, optical, or the like, which can be seen, displayed and/or heard via a computer or electronic systems, including but not limited to writing, sound, images, maps, designs, photographs or the like, letters, signs, numbers, access codes, symbols or perforations has meaning or meaning or can be understood by those who are able to understand".

Thus, it can be said that any electronic information in electronic data forms have legal effects and legal force. This is very relevant in the context of online arbitration decisions. In the digital realm, duplicative actions or replication is significantly facilitated, however, it becomes difficult to ensure authenticity documents generated online. To overcome this problem, potential solutions involves sending the award, which has been signed by the arbitrator, through the parties trusted third party via postal means to the parties concerned. Regarding arbitration award, BANI has determined the legitimacy of the arbitration award online. Recognition of the validity of an online arbitration award depends on its compliance to the basic principles of arbitration. As a result, procedural and administrative aspects online arbitration can be conducted electronically, while the final award must be documented, signed, and in its original form. The decision is then sent directly to the parties involved.

4. Conclusion

1. The implementation of online arbitration reflects conventional arbitration procedures, with the exception that special provisions regarding online specifications must be entered. The preparations required for online arbitration include provision of supporting equipment or facilities and establishment of infrastructure in accordance. Online arbitration is based on the

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legal framework of the Act Arbitration, especially Article 4, paragraph (3), and Article 34, paragraphs (1) and (2). In the context of online arbitration, the parties and arbitrators do not gather in person 2. Online arbitration awards are considered valid as long as they comply with basic principles arbitration. As a result, the implementation of online arbitration from the side of the agreement and the organization can be done online, but the decision must be drawn up, signed, and original. The decision is directly transmitted to the parties.

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