

## E-Commerce Consumer Protection: Limits on Digital Platforms' Liability for the Distribution of Illegal Goods and Transaction Fraud

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**Abstract.** *The exponential growth of e-commerce in Indonesia and globally has repositioned digital marketplaces from passive intermediaries into central actors in consumer transactions, yet the legal boundaries of their liability for illegal goods and transaction fraud remain unsettled. This article examines the scope and limits of digital platform liability under Indonesian consumer protection law, compared with emerging international frameworks such as the European Union's Digital Services Act and the revised Product Liability Directive. Employing a normative juridical method with statutory, conceptual, and comparative approaches, the study analyzes Law Number 8 of 1999 on Consumer Protection, Law Number 11 of 2008 on Electronic Information and Transactions as amended, Government Regulation Number 80 of 2019, and Minister of Trade Regulation Number 31 of 2023, alongside recent scholarship on platform-liability economics and comparative marketplace regulation. The findings show that Indonesian law still relies on an intermediary-immunity paradigm inherited from electronic-transaction regulation, leaving significant protection gaps for consumers harmed by counterfeit goods, undisclosed illegal products, and payment fraud facilitated through verified-seller schemes. The article proposes a graduated liability model combining notice-and-takedown obligations, seller-verification duty of care, and residual platform liability for failure to mitigate known risks — as a more balanced and enforceable standard than either strict liability or blanket immunity.*

**Keywords:** consumer protection; e-commerce; platform liability; illegal goods; transaction fraud.

**Received:** 04 06, 2026 | **Revised:** 04 27, 2026 | **Accepted:** 05 22, 2026 | **Published Online:** 05 27, 2026

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### 1. Introduction

Electronic commerce has evolved from a supplementary sales channel into the primary venue for retail consumer transactions across Indonesia and much of the developing world. Indonesia's digital economy, driven overwhelmingly by e-commerce, has expanded far beyond its early role as a simple online catalogue; today's marketplaces such as Shopee, Tokopedia, and Lazada curate product listings, process payments, verify sellers through badge and rating systems, and increasingly guarantee elements of the transaction through escrow and buyer-protection programs<sup>1</sup>. This structural shift — from passive intermediary to active market organizer — has outpaced the legal categories originally used to define platform responsibility,

<sup>1</sup>Rofiq Nurudin and Irma Maulida, "Marketplace Responsibility in Electronic Transactions," International Journal of Humanities Education and Social Sciences (IJHESS) 5, no. 6 (2026), <https://doi.org/10.55227/ijhess.v5i6.2423>; Tohadi et al., "Liability of Online Marketplaces for Consumer Losses in Online Transactions as Reviewed under Law Number 8 of 1999 on Consumer Protection," Priviet Social Sciences Journal 6, no. 2 (2026), <https://doi.org/10.55942/pssj.v6i2.1444>.

most of which were built around an intermediary-immunity model inherited from early electronic-transaction regulation designed for simple information-society services rather than transactional marketplaces<sup>2</sup>.

The scale of this shift is considerable. Indonesia's business-to-consumer e-commerce sector has grown from a marginal share of retail trade a decade ago into one of the largest digital consumer markets in Southeast Asia, with tens of millions of active buyers transacting daily across a small number of dominant marketplace platforms. This concentration means that a single platform's verification standards, dispute-resolution design, and content-moderation practices now function as de facto consumer-protection infrastructure for a substantial share of the national retail economy, even though platforms were not created, and are not directly regulated, as consumer-protection institutions.

The consequence of this regulatory lag is a persistent, and in several respects worsening, pattern of consumer harm. Counterfeit and unregistered products — ranging from unlicensed pharmaceuticals and cosmetics to electronics lacking mandatory Indonesian National Standard (SNI) certification — continue to circulate under verified-seller badges that consumers reasonably interpret as an implicit platform endorsement of legitimacy<sup>3</sup>. Trademark counterfeiting compounds this dynamic: comparative scholarship shows that marketplaces frequently escape secondary liability for facilitating the sale of infringing products despite functioning as the primary point of consumer contact<sup>4</sup>. In parallel, transaction fraud has diversified well beyond simple non-delivery scams into more sophisticated schemes involving manipulated product descriptions, fabricated reviews, and fraudulent flash-sale listings engineered to extract advance payment before the seller account disappears<sup>5</sup>. This liability ambiguity extends even to digital and subscription-based goods distributed through marketplaces, as shown in disputes over the unauthorized resale of streaming-service access<sup>6</sup>.

<sup>2</sup>Caroline Cauffman and Catalina Goanta, "A New Order: The Digital Services Act and Consumer Protection," *European Journal of Risk Regulation* 12, no. 4 (2021): 758–774, <https://doi.org/10.1017/err.2021.8>.

<sup>3</sup>Ariy Khaerudin et al., "Responsibility of E-Commerce Platforms to Consumers for Illegal Products in Indonesia," *Leges Privatae* (2025), <https://doi.org/10.62872/ebwg8t95>; Aditya Maulana Rizqi and M. Ramli, "E-Commerce Liability to Consumers for the Sale of Black Market Products," *Al-Mikraj Jurnal Studi Islam dan Humaniora* 5, no. 1 (2024), <https://doi.org/10.37680/almikraj.v5i01.5867>.

<sup>4</sup>Anna Pokrovskaya, "Liability for Trademark Infringement on E-Commerce Marketplaces," *International Journal of Law in Changing World* 2, no. 1 (2023), <https://doi.org/10.54934/ijlcw.v2i1.40>; Anna Pokrovskaya, "E-Commerce and Counterfeit Circulation: Risks to Public Safety and Ways of Legal Protection," *Society and Security Insights* (2025), [https://doi.org/10.14258/ssi\(2025\)3-08](https://doi.org/10.14258/ssi(2025)3-08).

<sup>5</sup>Muhammad Rizky et al., "Legal Liability Against Marketplace for Promotion of Inappropriate Goods that Harm Consumers," *International Journal of Social Service and Research* 5, no. 5 (2025), <https://doi.org/10.46799/ijssr.v5i5.1226>; Afifah Nuranti Putri Afifah et al., "Legal Liability of Marketplace Platform Operators for Product Description Violations Under Indonesian Consumer Protection Law," *Jurnal Cakrawala Hukum* 16, no. 2 (2025): 82–96, <https://doi.org/10.26905/idjch.v16i2.15604>.

<sup>6</sup>I. Suci and Andriyanto Adhi Nugroho, "Legal Responsibility of Marketplaces in Distributing iQIYI Digital Services and Consumer Protection in Indonesia," *AL-MANHAJ: Jurnal Hukum dan Pranata Sosial Islam* 7, no. 2 (2026), <https://doi.org/10.37680/almanhaj.v7i2.8658>.

Because platforms simultaneously profit from transaction volume and control the interface through which consumers assess seller trustworthiness, the line between merely hosting third-party conduct and actively facilitating it has become increasingly difficult to draw in doctrinal terms<sup>7</sup>.

Indonesia's regulatory response to these overlapping problems is fragmented across instruments that were not originally designed with digital marketplaces in mind. Law Number 8 of 1999 concerning Consumer Protection (UUPK) imposes a form of strict liability on "business actors" (pelaku usaha) for defective goods and unfair trading practices under Article 19, yet its 1999 drafting predates the marketplace model and does not squarely resolve whether a platform operator itself qualifies as a pelaku usaha, a mere facilitator, or an entirely new legal category<sup>8</sup>. Law Number 11 of 2008 concerning Electronic Information and Transactions, as amended, together with Government Regulation Number 71 of 2019 on the Administration of Electronic Systems and Transactions, adopts a broadly permissive stance toward electronic system operators, generally exempting them from liability for third-party content absent actual knowledge or an order from a competent authority. Government Regulation Number 80 of 2019 on Trading through Electronic Systems and its implementing Minister of Trade Regulation Number 31 of 2023 introduce marketplace-specific obligations — verification of seller legality, accuracy of product information, and provision of dispute-resolution facilities — yet none of these instruments articulate a clear liability trigger for when a breach of those obligations translates into platform responsibility toward the injured consumer<sup>9</sup>. Ariawan's analysis further identifies specific regulatory barriers — jurisdictional ambiguity, cross-border enforcement gaps, and inconsistent licensing thresholds — that compound this problem in the Indonesian digital-marketplace context<sup>10</sup>. The result is a layered but internally inconsistent framework in which a platform can satisfy formal regulatory compliance while the consumer harmed by an illegal product or a fraudulent transaction remains without an effective and proportionate remedy.

<sup>7</sup>Ardiyanti Aris et al., "Platform Liability for Defective Products under Indonesia's Consumer Protection Law in E-Commerce," *Jurnal Sultan: Riset Hukum Tata Negara* 4, no. 2 (2026), [https://doi.org/10.35905/sultan\\_htn.v4i2.16694](https://doi.org/10.35905/sultan_htn.v4i2.16694); Meilani Amanda Br. Ginting et al., "Tokopedia's Legal Responsibility to Consumers for Non-Compliance of Electronic Goods in the Online Trading System," *Journal of Legal and Cultural Analytics* 4, no. 3 (2025), <https://doi.org/10.55927/jlca.v4i3.15145>.

<sup>8</sup>Burhanuddin Abdullah and Rois Harliyanto, "Legal Liability of E-Commerce Platforms for Consumer Losses in Digital Transactions in Indonesia," *Jurnal Hukum Indonesia* 5, no. 2 (2026), <https://doi.org/10.58344/jhi.v5i2.2673>; Anatomi Muliawan and Desrina Tiara Maharani, "Consumer Protection in Electronic Commerce Reviewed from the Aspect of Contractual Liability in Marketplace Platforms," *SENTRI: Jurnal Riset Ilmiah* 5, no. 2 (2026), <https://doi.org/10.55681/sentri.v5i2.5673>.

<sup>9</sup>Ariy Khaerudin et al., "Responsibility of E-Commerce Platforms," *supra* note 3; Ibnu Sina Nur Ubay et al., "Legal Responsibility of Marketplaces in Online Buying and Selling Transactions in Indonesia," *Jurnal Legisci* 3, no. 4 (2026), <https://doi.org/10.62885/legisci.v3i4.1058>.

<sup>10</sup>Ariawan, "Regulatory Barriers to Consumer Protection in Digital Marketplaces," *Journal of Human Rights, Culture and Legal System* 5, no. 3 (2025), <https://doi.org/10.53955/jhcls.v5i3.782>.

Judicial and quasi-judicial practice illustrates the practical stakes of this ambiguity. Disputes brought before Indonesia's Consumer Dispute Settlement Body (BPSK) and general courts involving major marketplaces have repeatedly turned on the threshold question of whether the platform, the individual seller (pelapak), or both should bear responsibility for a defective, counterfeit, or entirely fraudulent transaction, with outcomes varying according to how each forum characterizes the platform's role in the underlying sale<sup>11</sup>. This inconsistency at the adjudicative level mirrors the doctrinal uncertainty already present in the statutory text, reinforcing the need for a clearer and more predictable liability standard.

International comparative scholarship offers instructive contrasts to this Indonesian ambiguity. Under the European Union's Digital Services Act, read together with the revised Product Liability Directive, online marketplaces face conditional liability when they fail to identify an accountable trader within a reasonable period after receiving a consumer request, effectively converting what was once a pure duty of diligence into an operative liability trigger<sup>12</sup>. South Korean law adopts a comparable but doctrinally distinct approach, distinguishing between mere hosting and active facilitation and holding platform operators civilly liable under a Platform-to-Consumer (P2C) framework whenever they exercise substantial control over pricing, delivery, or after-sales service<sup>13</sup>. Economic analyses of platform liability caution, however, that excessively stringent liability rules risk driving platforms toward defensive over-delisting, reduced marketplace diversity, and higher intermediation costs passed on to consumers and small sellers alike, which suggests that the socially optimal liability standard lies somewhere between blanket immunity and strict liability rather than at either extreme<sup>14</sup>. Indonesian scholarship has increasingly echoed this tension: several recent studies argue for a strict or quasi-strict liability standard grounded directly in Article 19 of the UUPK<sup>15</sup>, others emphasize contractual liability arising from a platform's own terms of service and dispute-resolution commitments<sup>16</sup>, and a further cluster of studies examines narrower product-specific categories such as counterfeit goods, black-market items, or non-compliant electronics without generalizing the analysis into an integrated liability

<sup>11</sup>Meilani Amanda Br. Ginting et al., "Tokopedia's Legal Responsibility," *supra* note 6.

<sup>12</sup>Duncan Fairgrieve et al., "Product Liability and Online Marketplaces: Comparison and Reform," *International and Comparative Law Quarterly* 73 (2024): 477–504, <https://doi.org/10.1017/S0020589324000046>; Yusuke Zenny, "Should Platforms be Held Liable for Defective Third-Party Goods?," *International Economic Review* (2026), <https://doi.org/10.1111/iere.70051>.

<sup>13</sup>Heesok Seo, "Civil Liability of E-Commerce Platform Operators in Korea (Focusing on the P2C Relations)," *Yuridika* 40, no. 2 (2025), <https://doi.org/10.20473/ydk.v40i2.55766>.

<sup>14</sup>Yassine Lefouili and Leonardo Madio, "The Economics of Platform Liability," *European Journal of Law and Economics* 53 (2022): 319–351, <https://doi.org/10.1007/s10657-022-09728-7>.

<sup>15</sup>Tohadi et al., "Liability of Online Marketplaces," *supra* note 1; Shandy Shihab, S. Ulfah, and Muhammad Fachri Said, "Legal Liability of Marketplaces for the Circulation of Counterfeit Goods," *Advanced Private Legal Insights* (2026), <https://doi.org/10.56087/qy0m1531>.

<sup>16</sup>Anatomi Muliawan and Desrina Tiara Maharani, "Consumer Protection in Electronic Commerce," *supra* note 7.

doctrine<sup>17</sup>. Broader studies of consumer-rights implementation in e-commerce transactions confirm that these doctrinal gaps translate into inconsistent practical remedies for consumers across sectors<sup>18</sup>.

Despite this expanding body of work, three limitations remain unaddressed and define the contribution of this article. First, most Indonesian analyses treat “illegal goods” and “transaction fraud” as separate problems examined in isolation — one strand concentrating on counterfeit or defective products, another on payment or listing fraud — without an integrated liability framework that accounts for how a platform’s verification and curation functions implicate both risks through the same underlying mechanism of consumer-trust manipulation<sup>19</sup>. Second, comparative discussions rarely translate international standards, particularly the European Union’s conditional-liability model and Korea’s P2C civil-liability doctrine, into concrete, operational criteria capable of being incorporated into Indonesia’s existing PP 80/2019 and Permendag 31/2023 regime, leaving the comparative material largely descriptive rather than prescriptive<sup>20</sup>. Third, the literature has not yet articulated a graduated liability standard that distinguishes platform conduct along a spectrum — from passive hosting, to negligent seller verification, to active facilitation or algorithmic promotion of listings — each of which arguably warrants a distinct liability consequence rather than a single undifferentiated standard. The novelty of this article lies precisely in proposing such a graduated, tripartite liability model calibrated to the degree of platform knowledge and control, tested against Indonesian statutory text and cross-referenced against the European Union and Korean comparative standards, thereby offering both doctrinal clarity for adjudication and a concrete template for regulatory reform that existing single-jurisdiction or single-risk studies have not yet provided.

## 2. Research Methods

This study employs a normative juridical (*yuridis normatif*) legal research method, appropriate for problems that are primarily doctrinal and require an examination of the internal coherence, hierarchy, and gaps within positive law rather than empirical field observation. Three approaches are combined. The statutory approach is used to examine the text of Law Number 8 of 1999 concerning Consumer Protection, Law Number 11 of 2008 concerning

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<sup>17</sup>Aditya Maulana Rizqi and M. Ramli, “E-Commerce Liability to Consumers,” *supra* note 3; Susianto et al., “Legal Responsibility of Marketplace Platforms for Counterfeit Products Based on Civil Law and ITE Law,” *Research Horizon* 5, no. 6 (2025), <https://doi.org/10.54518/rh.5.6.2025.948>; Ginting et al., “Tokopedia’s Legal Responsibility,” *supra* note 6.

<sup>18</sup>Ahadiav Agustav Putra, Kurniawan, and Hirsanuddin, “Implementation of Legal Protection for Consumer Rights in Business Transactions via E-Commerce Platforms,” *Journal of Law and Regulation Governance* 2, no. 2 (2024), <https://doi.org/10.57185/jlarg.v2i2.39>.

<sup>19</sup>Ariy Khaerudin et al., “Responsibility of E-Commerce Platforms,” *supra* note 3; Muhammad Rizky et al., “Legal Liability Against Marketplace,” *supra* note 4.

<sup>20</sup>Duncan Fairgrieve et al., “Product Liability and Online Marketplaces,” *supra* note 12; Heesok Seo, “Civil Liability of E-Commerce Platform Operators,” *supra* note 13.

Electronic Information and Transactions as amended, Government Regulation Number 71 of 2019, Government Regulation Number 80 of 2019, and Minister of Trade Regulation Number 31 of 2023, identifying the liability-relevant provisions and their interrelation. The conceptual approach is applied to clarify doctrinal concepts central to the analysis — intermediary liability, strict liability, contractual liability, and duty of care — drawing on legal theory where positive law leaves the concept undefined. The comparative approach situates Indonesian regulation against the European Union's Digital Services Act and revised Product Liability Directive and against South Korea's Platform-to-Consumer civil-liability framework, selected because both jurisdictions have recently codified marketplace-specific liability standards that speak directly to the research problem.

Legal materials are classified into primary sources (the legislation and regulations listed above), secondary sources (peer-reviewed journal articles and comparative regulatory commentary published predominantly within the last five years), and tertiary sources (legal dictionaries and indexing tools used to verify terminology). Data collection was carried out through library and documentary research (*studi kepustakaan*), and the collected materials were analyzed qualitatively using a descriptive-analytical technique: describing the applicable norms, identifying inconsistencies and gaps between instruments, and evaluating them against the comparative benchmarks to construct the graduated liability model proposed in the Results and Discussion section.

### 3. Result and Discussion

#### 3.1 The Ambiguous Status of Platforms under Indonesian Consumer Protection Law

Article 1 point 3 of the UUPK defines a *pelaku usaha* broadly as any individual or entity engaged in economic activity, a definition capacious enough to include marketplace operators, yet Article 19's strict liability for defective or non-compliant goods was drafted with a direct seller in mind and does not explicitly extend to an operator that never takes title to the goods sold through its platform<sup>21</sup>. Recent Indonesian scholarship divides sharply on how to close this gap. One line of argument, exemplified by analyses of Tokopedia's responsibility for non-compliant electronic goods<sup>22</sup>, treats the platform's active role in payment collection and dispute mediation as sufficient to trigger direct liability by analogy to Article 19, effectively treating verification badges as an implied warranty of compliance. A competing line, reflected in studies of marketplace responsibility in electronic transactions more generally<sup>23</sup>, locates liability primarily in contract law, arguing that a platform's terms of service function as a

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<sup>21</sup>Burhanuddin Abdullah and Rois Harliyanto, "Legal Liability of E-Commerce Platforms," *supra* note 7.

<sup>22</sup>Ginting et al., "Tokopedia's Legal Responsibility," *supra* note 6.

<sup>23</sup>Rofiq Nurudin and Irma Maulida, "Marketplace Responsibility in Electronic Transactions," *supra* note 1; Ibnu Sina Nur Ubay et al., "Legal Responsibility of Marketplaces," *supra* note 8.

binding undertaking whose breach — rather than the UUPK's strict-liability standard — is the more doctrinally sound basis for a consumer claim. A third line focuses specifically on counterfeit and illegal-product circulation<sup>24</sup>, arguing that the seller-verification obligation codified in Minister of Trade Regulation Number 31 of 2023 creates an administrative duty whose breach should give rise to civil liability even absent an explicit private-right-of-action provision.

This divergence is not merely academic; it produces genuinely different outcomes for an identical fact pattern. Under the strict-liability analogy, a consumer harmed by a counterfeit product listed under a verified-seller badge could sue the platform directly regardless of the platform's actual knowledge of the counterfeit nature of the goods. Under the contractual-liability analysis, the same consumer's remedy would typically be capped by whatever limitation-of-liability clause the platform has unilaterally inserted into its terms of service — clauses that Indonesian courts have not consistently scrutinized for fairness under Article 18 of the UUPK, which prohibits standard-form clauses that unfairly shift liability away from a business actor. Under the administrative-duty analysis, the consumer's remedy depends on whether a regulator has first established that the platform breached its verification obligation, introducing a procedural delay poorly suited to individual consumer redress. The absence of a single, judicially settled doctrine therefore leaves Indonesian consumers facing markedly different levels of protection depending on which theory a court, or a BPSK panel, happens to apply.

### 3.2 Verified-Seller Schemes and the Problem of Transaction Fraud

Transaction fraud presents an analytically distinct but practically overlapping problem. Unlike defective or counterfeit goods, fraud in the marketplace context frequently involves no product transfer at all — fabricated listings, manipulated reviews, and fake buyer accounts designed to inflate a seller's apparent trustworthiness before extracting payment for goods that are never shipped<sup>25</sup>. Because Indonesian marketplaces derive revenue from transaction volume and from featured-placement fees, they have structural incentives to maximize the number of active listings and sellers, which can conflict with rigorous fraud screening, particularly for new or small sellers whose verification is substantially outsourced to automated systems. Studies of product-description violations under Indonesian consumer protection law show that current enforcement relies heavily on reactive consumer complaints rather than proactive platform screening, meaning that a fraudulent listing typically remains visible, and continues

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<sup>24</sup>Shandy Shihab et al., "Legal Liability of Marketplaces," *supra* note 15; Ariy Khaerudin et al., "Responsibility of E-Commerce Platforms," *supra* note 3; Susianto et al., "Legal Responsibility of Marketplace Platforms," *supra* note 17.

<sup>25</sup>Muhammad Rizky et al., "Legal Liability Against Marketplace," *supra* note 4; Afifah Nuranti Putri Afifah et al., "Legal Liability of Marketplace Platform Operators," *supra* note 4.

to harm additional consumers, until enough individual complaints accumulate to trigger removal<sup>26</sup>.

The UUPK's information-based rights — the consumer's right to correct and clear information under Article 4(c) and the corresponding business-actor obligation under Article 7(b) — are, in principle, well suited to addressing this category of harm, since fraudulent listings are fundamentally an information-accuracy problem. In practice, however, these provisions were drafted for a bilateral seller–consumer relationship and do not clearly allocate responsibility to the platform that hosts and algorithmically promotes the fraudulent listing without itself making the fraudulent representation. This creates a structural blind spot: the party best positioned to detect and prevent a pattern of fraudulent listings — the platform, which holds aggregate data across thousands of similar complaints — bears the least clearly defined legal responsibility for acting on that information.

### 3.3 Comparative Benchmarks: The European Union and Korean Models

Comparative practice suggests two distinct techniques for closing this gap. The European Union's approach, refined through the Digital Services Act and the revised Product Liability Directive, adopts a conditional-liability trigger: a marketplace retains its general liability exemption for third-party content unless a “reasonably well-informed and attentive” consumer would believe the offered product originates from the platform itself, or unless the platform fails to identify an accountable trader within a reasonable period after a claimant's request<sup>27</sup>. This technique preserves the underlying hosting-liability exemption while attaching a specific, factually verifiable failure — the inability to identify a trader — as the liability trigger, giving platforms a clear compliance target: maintain traceable seller records or assume liability in their place.

South Korea's Platform-to-Consumer framework takes a different route, focusing not on information failures but on functional control. Under this model, a platform that exercises substantial influence over pricing, delivery scheduling, or after-sales service is treated as a co-obligor alongside the seller, regardless of whether it formally identifies itself as a mere intermediary in its terms of service<sup>28</sup>. This “substantial control” test has the advantage of tracking economic reality rather than a platform's self-description, but it requires courts to conduct a fact-intensive inquiry into each platform's operational practices, which can reduce predictability for both platforms and consumers.

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<sup>26</sup>Afifah Nuranti Putri Afifah et al., "Legal Liability of Marketplace Platform Operators," *supra* note 4.

<sup>27</sup>Duncan Fairgrieve et al., "Product Liability and Online Marketplaces," *supra* note 12; Yusuke Zenryo, "Should Platforms be Held Liable," *supra* note 12; Aina Turillazzi et al., "The Digital Services Act: An Analysis of Its Ethical, Legal, and Social Implications," *Law, Innovation and Technology* 15, no. 1 (2023): 83–106, <https://doi.org/10.1080/17579961.2023.2184136>.

<sup>28</sup>Heesok Seo, "Civil Liability of E-Commerce Platform Operators," *supra* note 13.

Economic modelling of platform liability cautions against transplanting either standard wholesale. Excessively broad liability, modelled as a strict joint-and-several standard, tends to induce platforms toward defensive over-removal of legitimate listings and higher fees ultimately borne by consumers and small sellers, while liability that is too narrow reproduces the current Indonesian problem of formal compliance without substantive accountability<sup>29</sup>. The optimal design, on this account, ties the intensity of the liability standard to the platform's marginal ability to prevent the harm at reasonable cost — precisely the insight that motivates the graduated model proposed below.

### 3.4 Comparative Liability Standards

Table 1 summarizes how the liability trigger, standard, and consumer remedy differ across the Indonesian, European Union, Korean, and United States frameworks discussed above.

| Jurisdiction / Instrument                                                                              | Liability Trigger                                                                                                                 | Standard of Liability                                                             | Consumer Remedy                                                                 |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Indonesia — UUPK Art. 19; PP 80/2019; Permendag 31/2023                                                | Breach of seller-verification or product-information duty; no single unified trigger across instruments                           | Mixed and unsettled: strict liability (goods) / negligence or contractual (fraud) | BPSK claim; civil suit; often limited by platform terms of service              |
| European Union — Digital Services Act Art. 6(3), 22, 30–32; revised Product Liability Directive Art. 7 | Failure to identify an accountable trader within a reasonable time; consumer belief that the product originates from the platform | Conditional / quasi-strict liability once the trigger is met                      | Direct claim against the platform; regulatory fines up to 6% of global turnover |
| South Korea — E-Commerce Act; P2C civil-liability doctrine                                             | Platform exercises substantial control over price, delivery, or after-sales service                                               | Joint civil liability with the seller                                             | Direct civil claim against platform and seller                                  |

<sup>29</sup>Yassine Lefouili and Leonardo Madio, "The Economics of Platform Liability," supra note 14.

|                                                                                   |                                                                                                                              |                                                                                         |                                                        |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------|
| United States<br>— Section 230<br>CDA; state<br>product-<br>liability case<br>law | Platform’s own<br>conduct (e.g.,<br>possession, control, or<br>“seller” status) rather<br>than third-party<br>content per se | Case-by-case; strict<br>product liability<br>where the platform is<br>deemed a “seller” | State tort claim;<br>outcome varies by<br>jurisdiction |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------|

As Table 1 illustrates, jurisdictions that have moved beyond blanket intermediary immunity converge on a common structural choice: they tie liability to a specific, verifiable platform failure an unidentifiable trader in the European Union, a demonstrable degree of operational control in South Korea, or an evidentiary finding of “seller” status in United States case law rather than to the mere fact that illegal goods or fraud occurred on the platform. Indonesia’s regulatory architecture, by contrast, imposes administrative obligations without a correspondingly precise civil-liability trigger, which explains the doctrinal fragmentation documented in Sections 3.1 and 3.2.

### 3.5 Toward a Graduated Liability Model for Indonesia

Building on this comparative analysis, this article proposes a three-tier graduated liability model calibrated to a platform’s degree of knowledge and control, intended as an interpretive framework for Article 19 of the UUPK and as a template for revising PP 80/2019 and Permendag 31/2023.

Tier one passive hosting applies where a platform performs no verification beyond basic seller registration and makes no representation about product legitimacy. Consistent with the general electronic-system-operator exemption in the ITE Law, liability at this tier should remain limited to notice-and-takedown: the platform is liable only if it fails to remove a listing within a defined period after receiving a substantiated complaint, by analogy to the European Union’s expeditious-action standard.

Tier two negligent verification applies where a platform operates a seller-verification or product-badge system (e.g., a “Verified Store” or “Original Guarantee” label) but fails to exercise reasonable diligence in administering it for instance, by granting or renewing a badge without confirming underlying business licensure or product certification. This tier should trigger a rebuttable presumption of platform negligence once a consumer shows that a badge was displayed and the underlying product was illegal or the seller fraudulent, shifting the burden to the platform to demonstrate reasonable verification diligence an approach doctrinally close to Indonesia’s existing strict-liability logic under Article 19 of the UUPK, but calibrated to the platform’s verification function rather than to physical possession of the goods.

Tier three active facilitation applies where a platform exercises substantial operational control comparable to the Korean P2C standard: setting or heavily influencing price, managing fulfilment logistics directly (e.g., platform-operated warehousing), or algorithmically promoting a listing through paid placement despite internal fraud-risk signals. At this tier, joint and several liability with the seller is warranted, mirroring the economic logic that a platform exercising this degree of control is the least-cost avoider of the resulting harm.

Operationalizing this model within Indonesia's existing regulatory architecture would not require wholesale legislative reform. Minister of Trade Regulation Number 31 of 2023 already contains the administrative building blocks seller verification, product-information accuracy, and dispute facilities that this model would simply reclassify by tier and attach to a corresponding private civil remedy, ideally through an amendment clarifying that breach of the verification obligation under Permendag 31/2023 constitutes *prima facie* evidence of negligence for the purposes of a civil claim under the UUPK. Such a reform would preserve platforms' legitimate interest in predictable compliance costs while closing the remedial gap that current Indonesian jurisprudence and scholarship, taken individually, have not yet resolved.

#### 4. Conclusion

This article has shown that Indonesian law currently lacks a coherent standard for determining when a digital marketplace bears liability for illegal goods and transaction fraud occurring on its platform, with Article 19 of the UUPK, the ITE Law's intermediary exemption, and PP 80/2019's administrative verification duties pointing toward three different, and at times contradictory, liability theories. Comparative analysis of the European Union's conditional-liability trigger and South Korea's substantial-control test demonstrates that a workable middle path exists between blanket platform immunity and undifferentiated strict liability. Building on these comparative insights and on Indonesia's own regulatory architecture, this article proposes a graduated, three-tier liability model passive hosting, negligent verification, and active facilitation that ties the intensity of platform liability to its actual knowledge and operational control, offering both a doctrinal resolution for pending and future disputes and a concrete template that the Ministry of Trade could adopt in a future revision of Permendag 31/2023. Future research should test this model empirically against Consumer Dispute Settlement Body (BPSK) decisions to assess whether existing adjudicative practice already gravitates toward one of the three proposed tiers, which would strengthen the case for its formal codification

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