

The Dispute Resolution Revolution: A Civil Law Analysis of Online Dispute Resolution (ODR) Mechanisms

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Received: January 05, 2025

Revised: January 22, 2025

Accepted: January 25, 2025

Published: January 27, 2025

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Abstrak: The development of information technology and digitalization has encouraged the emergence of Online Dispute Resolution (ODR) as an alternative dispute resolution that is more efficient and adaptive to the dynamics of electronic transactions. ODR, supported by Law No. 11/2008 on Electronic Information and Transactions (ITE Law) and its amendments, offers a faster and more affordable solution than traditional mechanisms such as litigation or arbitration. However, the implementation of ODR in Indonesia still faces significant challenges, including the lack of clear regulations regarding the recognition and execution of judgments, as well as the protection of personal data. The ITE Law provides a legal foundation for electronic transactions, but further adjustments are needed to ensure ODR can be legally recognized and accounted for, especially in the context of cross-border disputes. In addition, aspects of transparency, accountability, and data security must be prioritized in the implementation of ODR. This research uses a normative juridical method to analyze the application of ODR in the Indonesian civil law system, assess the suitability of existing regulations, and identify challenges and opportunities faced. Comprehensive regulatory harmonization is needed to ensure ODR can function effectively, fairly, and safely for all parties, and become an integral part of a more modern and relevant Indonesian legal system in the digital era.

Keywords: Civil Law; Dispute Resolution Mechanisms; Online Dispute Resolution (ODR)

INTRODUCTION

The development of information technology and digitalization has become a catalyst in creating dispute resolution mechanisms that are more adaptive to the needs of the times. Traditional dispute resolution mechanisms, such as litigation in court, are often considered incapable of keeping up with the dynamics of electronic commerce that continue to grow rapidly. In this context, Online Dispute Resolution (ODR) is a potential solution that offers a fast, efficient, and affordable dispute resolution process. This is in line with the spirit of Law Number 11 of 2008 on Electronic Information and Transactions (ITE Law) and its amendment through Law Number 19 of 2016, which recognizes the importance of the use of information technology in electronic transactions and online dispute resolution. The articles in the ITE Law provide a legal basis to support the existence and operationalization of ODR in Indonesia.



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However, the implementation of ODR in Indonesia still faces various challenges, including limited public understanding of this mechanism and inadequate legal infrastructure.¹ In relation to the ITE Law, especially Article 18 which regulates electronic agreements, there is a great opportunity to make ODR an integral part of the digital dispute resolution system. However, this requires clearer and more detailed arrangements regarding the procedures for implementing ODR in order to comply with the principles of justice and legal certainty. In addition, the ITE Law and its amendments also emphasize the importance of data security and privacy protection in electronic transactions, which are crucial elements in ensuring public trust in ODR mechanisms. The combination of practical needs and an adequate legal framework can encourage ODR to become a revolutionary solution in dispute resolution in the digital era.

The development of Online Dispute Resolution (ODR) as an alternative dispute resolution in the digital era reflects efforts to overcome the limitations of traditional dispute resolution mechanisms, such as arbitration and litigation. In relation to Law Number 30 Year 1999 on Arbitration and Alternative Dispute Resolution, there is an alignment of principles that dispute resolution must be carried out efficiently, fairly, and based on the agreement of the parties.² Article 1 paragraph (10) of the Law provides a definition of alternative dispute resolution, which includes negotiation, mediation, and conciliation, opening up opportunities for the integration of ODR mechanisms in the alternative dispute resolution legal framework. However, the use of technology in ODR brings new challenges related to the validity of the settlement results and the implementation mechanism so that it can be recognized as equivalent to a final and binding arbitration award.³

Although ODR is in line with the principle of flexibility in dispute resolution stipulated in Law No. 30/1999, its regulation still requires adaptation to address issues that are unique to digital transactions. For example, Article 60 of the Law affirms that arbitral awards are final and non-appealable, but in the context of ODR, clarity regarding the recognition and execution of online dispute resolution results still needs strengthening. In addition, the aspects of transparency, accountability, and confidentiality in dispute resolution regulated by Law No. 30 of 1999 must also be considered in the implementation of ODR. To ensure the effectiveness and legitimacy of ODR, harmonization is needed between the principles in Law No. 30 of 1999 and the technology that supports the ODR process, so that this mechanism can become a reliable tool in facing modern dispute resolution challenges.

The absence of comprehensive regulations related to Online Dispute Resolution (ODR) in Indonesia reflects the gap between technological developments and the existing legal system. While ODR offers efficiency

¹ Ramadhani, O. D., Firdausy, F. A., Niravita, A., & Fikri, M. A. H. (2024). Tantangan Hukum Dalam Pendaftaran Tanah: Analisis Kelemahan Sistematis Dan Solusi Implementasi. *Causa: Jurnal Hukum dan Kewarganegaraan*, 7(10), 1-10.

² Ningtyas, G. A. (2014). *Penerapan Undang-undang Nomor 30 Tahun 1999 Tentang Arbitrase Dan Alternatif Penyelesaian Sengketa Terhadap Penyelesaian Sengketa Perdagangan Online (E-commerce) Melalui Arbitrase Online* (Doctoral dissertation, Brawijaya University).

³ Rohaini, S. H., MH, P. D., SH, M., & Sepriyadi Adhnan, S. H. (2024). *Masa Depan Arbitrase Indonesia: Efektivitas dan Kepastian Hukum*. Uwais Inspirasi Indonesia.

and accessibility in dispute resolution, the absence of specific regulations leads to potential legal conflicts, especially in determining jurisdiction, legality of settlement outcomes, and protection of parties' rights. For example, dispute resolution conducted through cross-border digital platforms may face obstacles in the recognition and execution of the dispute resolution outcome, given that Indonesia has not fully adopted universal principles governing technology-based dispute resolution. In the context of civil law, this raises concerns about the guarantee of fairness and equality for the parties involved in the ODR mechanism.⁴

Furthermore, the absence of adequate regulation also has implications for public confidence in ODR as a legitimate and effective mechanism. In this regard, the establishment of regulations governing the substantive and procedural aspects of ODR is crucial to ensure its compliance with the basic principles of civil law in Indonesia, including the principles of freedom of contract and good faith. Such regulations should include provisions regarding the validity of ODR agreements, mechanisms for implementing dispute resolution outcomes, and protection of personal data, as stipulated in Law Number 11 of 2008 and its amendment through Law Number 19 of 2016.⁵ With clear and unified regulations in place, ODR can become an integral part of Indonesia's dispute resolution system, providing an alternative that is more relevant to the needs of society in the digital age.

However, while Online Dispute Resolution (ODR) has great potential to be a revolutionary solution in dispute resolution, challenges in its implementation cannot be ignored. One of the main issues is the lack of harmonization between ODR and the national legal framework, including in terms of recognition and enforcement of online dispute resolution outcomes.⁶ In the context of civil law, recognition of the validity of electronic agreements as a legal basis for dispute resolution still needs strengthening. Law No. 11/2008 on Electronic Information and Transactions (ITE Law) has provided a legal basis for electronic transactions, but its implementation in the context of ODR still requires clarity, especially in determining the jurisdiction and mechanism of execution of ODR results across jurisdictions.

In addition, the protection of personal data and confidentiality of information in the ODR process is an equally important concern. In the digital era, the security of the parties' data must be a priority to prevent privacy violations that could harm one or both parties to the dispute. This is in accordance with the spirit of personal data protection that has begun to be regulated through Law No. 27 of 2022 on Personal Data Protection (PDP Law). Integration between the data protection principles in the PDP Law and the ODR mechanism is necessary for the dispute resolution process to run transparently, safely, and reliably. If these challenges can be overcome through adaptive regulations and policies, ODR not only has the potential to

⁴ Rule, C. (2020). Online dispute resolution and the future of justice. *Annual Review of Law and Social Science*, 16(1), 277-292.

⁵⁵ Rajab, A. (2018). Urgensi undang-undang nomor 19 Tahun 2016 tentang perubahan atas undang-undang nomor 11 tahun 2008 tentang informasi dan transaksi elektronik sebagai solusi guna membangun etika bagi pengguna media. *Jurnal Legislasi Indonesia*, 14(4), 463-471.

⁶ Mufrihah, W. M., & Najmudin, N. (2024). Transformasi Hukum Dagang Internasional Di Era Teknologi Blockchain Dan Cryptocurrency. *IKRAITH-EKONOMIKA*, 7(3), 382-396.

become an efficient alternative, but also an integral part of civil law system reform that is more relevant to the needs of modern society.⁷.

METHODOLOGY

This research uses the normative juridical method to analyze the application of Online Dispute Resolution (ODR) in the Indonesian civil law system. The focus is on evaluating the suitability of existing regulations as well as the challenges and opportunities faced by ODR mechanisms. This approach involves analyzing relevant laws and regulations, relevant legal principles, as well as comparisons with practices in other countries. In addition, this research also considers aspects of personal data protection and the application of ODR in the context of existing legal developments.

RESULTS AND DISCUSSION

1. Harmonization of Online Dispute Resolution Regulations in the Indonesian Civil Law System

A. Compatinility Between ODR and Existing Regulations

Online dispute resolution, known as Online Dispute Resolution (ODR), is an innovation that provides alternative dispute resolution through technology platforms. However, to ensure that ODR can be properly integrated into the Indonesian legal system, it is necessary to analyze the extent to which it is compatible with existing regulations, especially with Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution (Arbitration Law) and Law Number 11 of 2008 on Electronic Information and Transactions (ITE Law). Both regulations, while not directly regulating ODR, touch on important aspects relevant to the success of this mechanism. The Arbitration Law regulates dispute resolution through arbitration and various other alternative dispute resolution, and although ODR is not explicitly mentioned, the basic principles of dispute resolution through alternative processes are spelled out in this law. Here, it should be noted that ODR can be adapted to lead to an online arbitration or mediation mechanism, but it faces challenges related to the recognition and enforcement of the resulting awards. In this regard, ODR should accommodate the existing rules on the recognition of valid arbitral awards and their enforcement through the courts. When a dispute is resolved online and results in an award, the fundamental question that arises is the extent to which the award can be recognized within the Indonesian legal framework, especially when it involves parties with different jurisdictions.⁸

Meanwhile, the ITE Law provides a foundation for the use of electronic transactions and communications in the Indonesian legal system. One important aspect to be considered in the context of ODR is the

⁷ Annan, A. (2024). Tinjauan Yuridis Perlindungan Data Pribadi Pada Sektor Kesehatan Berdasarkan Undang-Undang No. 27 Tahun 2022. *Synergy: Jurnal Ilmiah Multidisiplin*, 1(04), 247-254.

⁸ Ari, E. A., Widyawati, A. M. J., Legowo, M. I., Suningrat, N., & Purnomo, H. (2024). Perkembangan Hukum Perdata Dalam Penyelesaian Sengketa Perjanjian Online. *Jurnal Kolaboratif Sains*, 7(11), 4085-4089.

recognition of digital documents and electronic signatures used in electronic transactions.⁹ In the context of dispute resolution, the ITE Law provides legal force to valid electronic evidence and documents, which means that in the ODR process, any electronically produced documents (such as agreements, evidence, or even decisions) also have the same legal force as conventional documents.¹⁰ This is a crucial aspect as ODR, by its very nature, relies on the use of technology to transmit relevant information and evidence. However, personal data protection and information security are also issues that cannot be ignored. The ITE Law emphasizes the importance of electronic transaction security, which should be integrated in every ODR platform to ensure the integrity of the data exchanged, especially in the case of transactions involving sensitive personal data. If ODR is to develop further in Indonesia, then the aspect of personal data protection must be a top priority, given the risks involved if the data managed is not properly protected.

Although the two regulations provide a sufficient foundation for the implementation of ODR, there is an urgent need for a clearer and more specific regulatory update regarding the ODR mechanism. In this case, the update is not only limited to the recognition of the decisions produced by ODR, but also to the process of legalization and execution of these decisions. This is because, although ODR can be an efficient dispute resolution method, without clarity on how decisions produced by this mechanism can be complied with or executed in the Indonesian judicial system, its sustainability and effectiveness will be in doubt. The regulatory reform should also accommodate the importance of the role of competent mediators or arbitrators in ODR, so that this dispute resolution mechanism does not lose its credibility. Given that ODR is conducted entirely electronically, the integrity of the process and the final results are highly dependent on technology, so the reliability of the ODR platform should be a major concern in the formulation of policies that support ODR.¹¹

Thus, although ODR in Indonesia has a legal foundation that can be expanded through existing regulations, these regulations need to be updated and adjusted to technological developments and increasingly complex legal needs. Without a strategic step in updating the regulations related to ODR, this mechanism could potentially not run optimally, and could even invite doubts about the validity and enforcement of its decisions in the Indonesian legal system. As a step forward, it is important to develop regulations that provide legal certainty in terms of recognizing, enforcing, and monitoring decisions generated by ODR, as well as ensuring adequate data protection for all parties involved in the online dispute resolution process.

B. Jurisdictional Issues and Cross-border Dispute Resolution

The issue of jurisdiction and cross-border dispute resolution in the context of Online Dispute Resolution (ODR) is increasingly becoming a concern as disputes involving parties from different countries through digital platforms increase. This poses a major challenge in determining the appropriate jurisdiction, as each

⁹ Wati, T. (2023). Kekuatan Hukum dan Aspek Keamanan Dalam Tanda Tangan Elektronik. *Journal Sains Student Research*, 1(1), 752-762.

¹⁰ Widiawati, N. (2022). *Kekuatan Pembuktian Alat Bukti Elektronik dalam Peradilan Pidana E-Litigasi Berlandaskan Nilai Keadilan (The Power of Proving Electronic Evidence in E-Litigation Criminal Justice Based on the Value of Justice)* (Doctoral dissertation, Universitas 17 Agustus 1945 Surabaya).

¹¹ Sutarni, N. (2022). Urgensi Penerapan Online Dispute Resolution terhadap Penyelesaian Sengketa Perdagangan Elektronik Ditinjau dari Teori Economic Analysis of Law. *Jurnal Privat Law*, 10(1), 153-167.

country has different legal systems and procedures. Jurisdiction in cross-border digital dispute resolution can refer to several things, such as the place where the violation or transaction occurred, the domicile of one of the parties, or the location of the ODR service provider company.¹² The main challenge that arises is the lack of clarity in determining the applicable law, as the applicable law in one country may not be recognized or conflict with the laws of another country.¹³ Moreover, even if there is legitimate jurisdiction, another key issue is how a judgment can be enforced outside of the issuing country, given that not all countries have treaties on the recognition and enforcement of international judgments. The transnational nature of digital platforms further complicates this issue, as many platforms operate in multiple countries without being bound by one particular country's laws, creating considerable legal uncertainty.

Indonesia, as a country with rapidly growing international relations in the digital realm, needs to immediately formulate clear and comprehensive regulations in dealing with this jurisdictional issue. Existing regulations in Indonesia, such as the Electronic Information and Transaction Law (ITE), have become a foothold for regulating domestic digital transactions, but are not sufficient to accommodate cross-border disputes. Therefore, Indonesia should develop a legal framework that clarifies jurisdiction in the context of ODR and integrate domestic regulations with international standards. Joining international treaties such as the New York Convention on the recognition and enforcement of international arbitral awards could be an important step in ensuring that awards resulting from ODR proceedings are globally acceptable.¹⁴ However, regulatory adjustments alone are not enough without the support of an adequate legal system and a deeper understanding of the complexities of digital dispute resolution at the international level.¹⁵ Therefore, it is important to continue to raise legal awareness among practitioners, courts, and the general public on the importance of digital and international dispute resolution.

Cross-border dispute resolution involving ODR requires a legal framework that prioritizes legal certainty for all parties involved. Drafting a dispute resolution clause in the contract between the parties involved can be an alternative to avoid confusion about the applicable jurisdiction. In addition, the use of ODR platforms that have agreements with countries or international bodies regarding the recognition of their judgments will facilitate the enforcement of judgments in different countries.¹⁶ In this context, international arbitration can also be an effective solution to resolve cross-border disputes, given the flexibility and speed of the process. However, the successful resolution of disputes through ODR depends on clear recognition and enforcement of awards, as well as international agreements that can unify different jurisdictions.

¹² Fakhriah, E. L., & Afriana, A. (2023). Cross border of Jurisdiction between Arbitration and District Court in Business Dispute Settlement under the Indonesian Legal System. *Fiat Justisia: Jurnal Ilmu Hukum*, 17(3), 293-304.

¹³ Komeni, W. H., & Widjajanti, E. (2024). Ketidaktepatan Penerapan Hukum Pidana Adat dalam Pasal 2 KUHP Baru: Prespektif Teori Kepastian Hukum. *Innovative: Journal Of Social Science Research*, 4(3), 1051-1059.

¹⁴ Grasia Kurniati, S. H. (2016). Studi Perbandingan Penyelesaian Sengketa Bisnis dan Implementasinya Antara Lembaga Badan Arbitrase Nasional Indonesia dan Singapore International Arbitration Centre. *Jurnal Ilmiah Hukum DE'JURE: Kajian Ilmiah Hukum*, 1(2), 201-234.

¹⁵ Ritonga, H. N., Sembiring, R. B., Manurung, N., & Samzidane, M. H. (2024). Kewenangan Arbitrase Dalam Penyelesaian Sengketa Bisnis Di Indonesia. *Jurnal Cendikia ISNU SU*, 1(2), 97-105.

¹⁶ Simanjuntak, A. H. (2023). Perlindungan Hukum terhadap Investor Pada Aplikasi Investasi Saham Berbasis Online. *Jurnal Syntax Admiration*, 4(12), 2458-2469.

Overall, to ensure legally valid outcomes both domestically and abroad, Indonesia must continue to adapt to global regulatory developments, harmonize domestic laws with international practices, and strengthen the legal infrastructure that supports the effective resolution of digital disputes.¹⁷

C. Adjustment of Regulations to Protect the Rights of the Parties Involved

Regulatory adjustments for the protection of the rights of parties involved in Online Dispute Resolution (ODR) mechanisms are an inevitable issue along with technological developments and the shift towards electronic-based dispute resolution. The growing popularity of ODR, especially in the context of consumer and business dispute resolution in the digital world, requires regulations that not only keep up with technological dynamics but also provide adequate protection of the rights of individuals involved.¹⁸ One of the most pressing aspects to address is transparency in the entire dispute resolution process. Without clear transparency about the applicable procedures, costs incurred, and the involvement of third parties in the settlement process, the parties involved may feel disadvantaged or not treated fairly. Therefore, regulations need to ensure that any relevant information is easily available to all parties, as well as effective oversight to prevent abuse by ODR providers.

In addition, stricter regulations related to personal data security are needed. Given the amount of sensitive data exchanged in ODR, such as personal information or financial transactions, regulations should govern the use of technologies that can protect this data from leakage or misuse. The use of strong encryption and clear privacy policies, which give individuals full control over their data, should be key pillars in any ODR system.¹⁹ On the other hand, efficiency and fairness in dispute resolution are equally important. The ODR process should be structured with systematic and structured procedures, so that parties can resolve their disputes without a protracted and costly process. Regulations should also ensure that the technology used in this process, such as digital platforms or automated devices, actually supports the smoothness of the settlement process without harming certain parties.

However, while efficiency is necessary, there should be no compromise on fairness in decision-making. Every party, both consumers and businesses, should be given equal rights to be heard and treated fairly, taking into account the established basic principles of fairness. Regulations should require mechanisms that prevent conflicts of interest, and ensure that dispute resolution is based on objective and impartial considerations. Furthermore, with cross-border dispute resolution, ODR regulations must be able to accommodate various international legal challenges that arise in the context of globalization. To this end, an inter-state agreement is needed that harmonizes ODR procedures and mechanisms, and ensures that the resulting decisions can be enforced internationally. Equally important is the monitoring and evaluation of

¹⁷ Winarta, F. H. (2022). *Hukum Penyelesaian Sengketa Arbitrase Nasional Indonesia dan Internasional: Edisi Kedua*. Sinar Grafika.

¹⁸ Halim, S., Franciska, W., & Noor, Z. Z. (2024). Penegakan Hukum Bagi Perusahaan Yang Melakukan Transaksi Elektronik Melalui E-Commerce Sebagai Perlindungan Hukum Terhadap Pengguna. *Sinergi: Jurnal Riset Ilmiah*, 1(8), 599-609.

¹⁹ Isnugraheny, R. F., Megawati, Z. E., & Susilawati, S. (2024). Optimalisasi Prinsip Kerahasiaan Data Nasabah dan Peranan Otoritas Jasa Keuangan Dalam Mencegah Kebocoran Informasi. *Media Hukum Indonesia (Mhi)*, 2(4).

the implementation of ODR itself. Without ongoing oversight, existing regulations may not be able to respond to rapid changes in dispute resolution technologies and practices, potentially to the detriment of the parties involved. Therefore, regular evaluation of the effectiveness of the ODR system will ensure that the regulations remain relevant and responsive to the needs of the parties and the ever-changing technological developments.

2. Challenges and Opportunities for Implementing Online Dispute Resolutios (ODR) in the Indonesian Legal System

A. Legal Challenges Related to Recognition and Excdution of ODR Judgments

Legal challenges related to the recognition and execution of decisions made through Online Dispute Resolution (ODR) mechanisms in Indonesia are issues that require serious attention. Although ODR has grown rapidly as an alternative to dispute resolution, the unclear legal status of decisions made through this process remains a fundamental problem. In Indonesia, Law No. 30/1999 on Arbitration and Alternative Dispute Resolution provides the legal basis for dispute resolution through arbitration and mediation, but there is no provision that explicitly regulates ODR. As a result, awards produced by ODR platforms are often not recognized or cannot be legally executed by Indonesian courts, due to the absence of a regulation that recognizes the legality of the process. This shows a gap between technological developments and the prevailing national legal system. Therefore, the lack of clarity regarding the legal recognition of ODR decisions requires handling through clear and comprehensive regulations.²⁰

Furthermore, another challenge lies in the integration of ODR into the Indonesian civil law system which is based on the Civil Code (KUHPerdata). Indonesia has a more formal and traditional legal system, which prioritizes face-to-face dispute resolution or conventional legal channels such as courts.²¹ Meanwhile, ODR often involves technology and digital platforms that do not fully comply with the norms regulated in the Civil Code. This more formal legal system causes uncertainty in terms of recognition and execution of decisions produced by ODR mechanisms. Therefore, there needs to be an effort to create harmony between the online dispute resolution process and the national legal system so that the ODR process can be integrated with the existing justice system in Indonesia. Without such alignment, the ODR process risks not receiving legal recognition and legitimacy.

The aspect of international recognition is also an important issue. When disputes involve parties from different countries, the recognition and execution of ODR decisions will become more complicated. Indonesia, despite being a country that has ratified several international treaties, does not yet have an international agreement that specifically regulates the recognition of ODR decisions. This creates uncertainty in terms of executing decisions in other countries, because each country has different criteria in

²⁰ Monalisa, G. (2024). Integrasi Hukum Perdata Internasional dalam Kerangka Hukum Nasional Indonesia: Tantangan dan Implikasi. *Palangka Law Review*, 4(2), 62-71.

²¹ Simandjuntak, R., & Singkay, R. (2024). Inovasi dalam Penyelesaian Sengketa: Pendekatan Alternatif yang Mengedepankan Keadilan Kolaboratif. *Jurnal Social Science*, 12(2), 187-196.

accepting and executing dispute decisions resolved through alternative mechanisms.²² On the other hand, international treaties such as the 1958 New York Convention provide for the recognition and enforcement of international arbitral awards, but no similar provisions have been applied to ODR. This lack of clarity in terms of international recognition certainly affects the credibility and effectiveness of ODR as a global dispute resolution method, and if not seriously addressed, may hinder the development of ODR as a legitimate and internationally recognized alternative.

Equally important is the aspect of data security and protection in the ODR mechanism. Given its nature based on a digital platform, ODR faces major challenges in terms of ensuring the security of information and data exchanged between the parties involved. The newly implemented Personal Data Protection Law (PDP Law) in Indonesia provides strict rules regarding the management of personal data, which should be followed by ODR platforms to keep data from falling into the wrong hands or being misused. This also relates to public trust in the ODR mechanism, as data insecurity can cause great harm to the parties involved in the dispute. Therefore, the implementation of technology that is secure and meets data protection standards is crucial for ODR to be accepted and relied upon as a legitimate alternative dispute resolution.

Overall, although ODR offers various advantages, ranging from efficiency to ease of access, legal challenges relating to the recognition and execution of ODR decisions require serious attention from policymakers and legal authorities. For this reason, clearer regulations are needed that not only regulate ODR mechanisms domestically, but also prepare the ground for the recognition and enforcement of ODR decisions at the international level. Through harmonization of the existing legal system, including by ratifying international treaties related to ODR, as well as ensuring the security of data involved in the process, ODR can become an alternative dispute resolution that is legally recognized, effective, and fair both at the national and international levels.

B. Integration of ODR in Indonesia's Legal Infrastructure

The integration of Online Dispute Resolution (ODR) into Indonesia's legal infrastructure presents a complex challenge, as it not only requires adaptation to technology, but must also be in line with the basic principles of existing law.²³ One of the crucial steps in this integration process is the development of clear and detailed regulations that can facilitate online dispute resolution in a legal and effective manner. Without strong regulations, ODR risks failing to provide a sense of security and trust for the public. Such regulations need to cover a wide range of matters, from dispute registration mechanisms that are easily accessible to the public, transparent dispute resolution procedures, to the enforcement of decisions resulting from the ODR process. A simple yet binding registration process should be structured to ensure that the parties involved have clear rights and obligations from the outset. In addition, the procedures applied in ODR should ensure that all parties are given equal opportunities to present their arguments, both in writing and

²² Nurhayati, Y. (2022). Perbandingan Konsep Pembatalan Putusan Arbitrase Di Beberapa Negara. *Jurnal Ius Constituendum*, 7(2), 335.

²³ Setiawati, D., Sholahudin, I., Nurfattah, H., Sari, N. A., & AP, S. D. (2023). Transformasi Teknologi dalam Hukum Dagang Internasional: Regulasi dan Penyelesaian Sengketa di Era Digital. *Borobudur Law and Society Journal*, 2(5), 220-231.

verbally, through technological platforms that are certainly safe and accessible to various groups, taking into account the limited access to technology in various regions.

However, the biggest challenge remains in how to enforce the decisions produced by ODR. In the Indonesian legal system, decisions produced through ODR should have the same legal force as court decisions. This requires a mechanism that allows ODR decisions to be executed directly without the need to go through further litigation in court.²⁴ Therefore, regulations that ensure the recognition and enforcement of ODR decisions by the courts must be clearly regulated, so that the existence of ODR can be accepted as a valid and binding alternative. In other words, if a party does not comply with an ODR decision, there is a procedure for execution through the court, without compromising the substance of the decision. If this is not properly regulated, then ODR has the potential to be ineffective due to the lack of legal certainty and potential rejection of the outcome.

Furthermore, public trust in ODR is a determining factor in its successful implementation. Without the belief that ODR is a fair and trustworthy mechanism, people may prefer the traditional route through the courts. Therefore, regulations on the protection of personal data and security in the ODR process are essential, to prevent misuse of information that could harm either party. In addition, in order for the public to feel comfortable using ODR, socialization on the benefits and procedures of ODR needs to be conducted widely, both through legal education and clear information campaigns. This will open up the public's understanding that ODR is not only a faster and cheaper alternative, but also a legitimate way to resolve disputes in a fair and transparent manner.²⁵

However, while careful regulation is essential, the successful integration of ODR also requires synergy between various existing legal institutions. Courts, mediation institutions, as well as arbitration bodies, must collaborate in implementing ODR in the Indonesian legal system. In this case, the role of the court is very important, especially in overseeing the ODR process and ensuring that the resulting decisions can actually be obeyed. Similarly, mediation and arbitration institutions need to take an active part in providing facilities and platforms that support online dispute resolution.²⁶ Without proper collaboration between these institutions, ODR risks becoming isolated and ineffective. Therefore, ODR regulations must be able to create space for these institutions to function within a clear legal framework, so that the online dispute resolution process can run efficiently, fairly and accountably.

Overall, to make ODR an integral part of Indonesia's legal infrastructure, not only strict and binding regulations are needed, but also a commitment from all parties to prioritize the principles of fairness, transparency, and trust. ODR has the potential to be a significant solution in overcoming court caseloads, accelerating the dispute resolution process, and providing wider access to the public to obtain justice

²⁴ Ari, E. A., Widyawati, A. M. J., Legowo, M. I., Suningrat, N., & Purnomo, H. (2024). Perkembangan Hukum Perdata Dalam Penyelesaian Sengketa Perjanjian Online. *Jurnal Kolaboratif Sains*, 7(11), 4085-4089.

²⁵ Yadi, D. K., Sood, M., & Martini, D. (2022). Perlindungan Hukum Bagi Para Pihak Dalam Transaksi E-Commerce Menurut Tata Hukum Indonesia. *Commerce Law*, 2(1).

²⁶ Anggreini, R. R. (2024). Tinjauan Mekanisme Penyelesaian Sengketa Bisnis Di Indonesia Melalui Arbitrase Online. *Legal Civility*, 1(1), 35-45.

without having to go through lengthy and expensive legal procedures. With proper regulation, ODR can be an effective, modern, and accepted dispute resolution tool by all levels of Indonesian society.

C. ODR Opportunities for Dispute Resolution Accessibility and Efficiency

Dispute resolution through Online Dispute Resolution (ODR) can be seen as a response to legal developments in Indonesia in line with digital transformation, one of which is reflected in Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE Law) and Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE Law Amendments). The ITE Law is the foundation that regulates the use of information technology in electronic transactions, and is increasingly important in the context of dispute resolution using online media. Within this legal framework, ODR can operate by utilizing legitimate and legally regulated electronic platforms, thereby increasing the accessibility of legal proceedings for people separated by physical distance or other limitations.²⁷ The ITE Law provides a strong legal basis for the use of electronic transactions and digital communications as legitimate means in legal activities, including in dispute resolution. For example, articles in the ITE Law that regulate electronic signatures and electronic evidence can be used in ODR to ensure the validity of documents exchanged during the dispute process. In this case, ODR provides the possibility to resolve disputes through electronic mechanisms in accordance with the provisions in the ITE Law, which not only facilitates accessibility but also accelerates the dispute resolution process.

Furthermore, the amendments made by Law No. 19/2016 to the ITE Law strengthen the aspect of data protection and electronic transactions, which is very important in the context of ODR. With the new provisions that pay more attention to the protection of personal data and misuse of information in electronic transactions, ODR should ensure that the platforms used meet the security and confidentiality standards set out in the ITE Law. This will ensure that the dispute resolution process conducted online remains legally valid, safe, and does not violate individual rights, so that ODR can be widely accepted by the public. In addition, Law Number 30 Year 1999 on Arbitration and Alternative Dispute Resolution (Arbitration Law) also provides a relevant legal basis in the context of ODR. In the Arbitration Law, one of the main objectives is to provide alternative dispute resolution that is faster, more efficient, and affordable, which is in line with the principles promoted by ODR.²⁸ ODR allows the implementation of an online arbitration mechanism, which means that disputing parties can resolve their issues with the help of an arbitrator without the need to meet face-to-face. This is of course in line with the spirit of the Arbitration Law which emphasizes the importance of resolving disputes effectively and efficiently out of court.

The Arbitration Law also allows the use of other alternative dispute resolution methods such as mediation, conciliation, and negotiation, all of which can be implemented through ODR. Digital technology makes it easier to conduct mediation or arbitration processes more flexibly and quickly, which can answer the challenges in dispute resolution that are often constrained by conventional court bureaucracy. With a strong

²⁷ Indriyanie, D. (2024). Mekanisme Online Dispute Resolution Melalui Arbitrase dalam Penyelesaian Sengketa Konsumen di Sektor Jasa Keuangan. *Syntax Idea*, 6(10), 6548-6565.

²⁸ MUHAMAD SYAYUTI, M. S. Penyelesaian Sengketa Konstruksi Melalui Dewan Sengketa Dalam Perspektif Kepastian Hukum Di Indonesia. *Universitas jambi*.

legal basis from the Arbitration Law, ODR also provides room for dispute resolution that is not only more efficient in terms of time and cost, but also more affordable and accessible to the public, including those in remote areas. Thus, the existence of ODR is very relevant and supported by the legal provisions in the ITE Law and the Arbitration Law, which ensure that online dispute resolution can be done legally, safely, and effectively. Indonesian law has begun to adapt to the needs of the times, recognizing the importance of digital transformation in the justice system and dispute resolution, and ODR is present as an alternative that provides wider accessibility to the community and efficiency in resolving disputes without being constrained by physical and time constraints

CONCLUSION

The harmonization of online dispute resolution (ODR) regulations in the Indonesian legal system requires updates to address challenges related to the recognition and enforcement of ODR decisions and the protection of personal data. Although ODR already has a legal basis in the Arbitration Law and ITE Law, Indonesia needs to formulate more comprehensive regulations, including addressing jurisdictional issues and cross-border disputes by joining international treaties such as the New York Convention. ODR regulations should emphasize the protection of the rights of the parties involved, transparency of the process, and efficiency in dispute resolution, and require strict supervision to prevent abuse. ODR implementation also faces major challenges in the recognition and execution of judgments, as Indonesia's more formal and traditional legal system has difficulty accommodating online dispute resolution processes. In addition, it is important to ensure the protection of personal data in the digital context. Nonetheless, ODR offers great opportunities for efficiency and accessibility in dispute resolution, especially for people in remote areas, with the support of the ITE Law and Arbitration Law as a strong legal basis. To ensure the successful implementation of ODR, synergy between legal institutions and socialization of the benefits of ODR to the public are needed

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