

Legal Protection for Tik Tok Shop Buyers: Comparison between China and Indonesia

Naufal Bagus Pratama¹, Salsabilla Deniesa^{2*}

¹College of International Affairs, National Cheng Chi University, Taiwan

²Faculty of Law Universitas Muhammadiyah Yogyakarta, Indonesia

*Corresponding Author: salsabilla.d.law19@mail.umy.ac.id

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Abstract

The nature and scale of e-commerce are constantly changing. In today's world, the concept of internet purchasing became ubiquitous. All the purchases that consumers make is safeguarded by a set of policies in the form of rules imposed in each country; thus, the evolution of consumer protection is also inextricable from global influences. The term consumer protection refers to an umbrella term that encompasses many different aspects of economic transactions. The relevance of the law rests in the fact that the regulation works to protect individuals and the rights they are entitled to. In spite of the significance they have, customers frequently find themselves victimized by unethical commercial activities. This article describes the proliferation of E-commerce and the legal protection of the e-consumers who conduct buying and selling transactions, particularly in the TikTok Shop platform. This normative legal research relies on secondary data and employs both statutory and comparative approach. The finding shows that China has established a new law to safeguard and maximize a healthy shopping environment on an e-commerce platform. On the other side, Indonesia has not had a specific regulation for e-commerce yet, accordingly the legal protection for Tik Tok Shop buyers relies to the existing law, namely the Law No. 8 of 1999 concerning consumer protection.

Keywords: Consumer protection, Consumer rights, E-commerce, Tiktok shop buyers

1. Introduction

The impact of the internet has had a profoundly transformative effect on the myriad of ways in which companies engage in communication with their clients. It's no surprise that people are moving along with the times as technology advances. As the world's population changes, the new majority expects all of their needs to be met digitally. Increases in processing power and data storage have enabled several modern innovations, including online shopping. One of these significant shifts is moving away from conventional shopping practices and toward using online shopping platforms, such as e-commerce websites.¹

The decade of the 1990s, which was the first decade in which the general public had broad access to the Internet, is considered to be the historical beginning of e-commerce. The proliferation of the internet is directly attributable to the numerous services that it offers to its users, which enable them to engage in activities such as playing games and conducting research on a variety of subjects. In addition, the banking and financial industry has developed several other payment methods that are compatible with the user experience of websites.²

¹ Majed Al Tamer, 'The Advantages and Limitations of E-Commerce to Both Customers & Businesses', *BAU Journal-Creative Sustainable Development*, 2.2 (2021), 6 <https://doi.org/10.54729/2789-8334.1043>

² Gulsah Hancerliogullari Koksalmis and Ayca Gozudok, 'What Impacts E-Commerce Acceptance of Generation Z? A Modified Technology Acceptance Model', *Recent Advances in Technology Acceptance Models and Theories*, 2021, 57-77 https://doi.org/10.1007/978-3-030-64987-6_5

These days, it takes a long time to do anything. People today have less time to perform errands at conventional businesses due to their busy schedules, such as juggling a 9–5 job or pursuing higher education at college. More and more people are switching to online shopping due to its ease and cheaper costs. Besides benefiting consumers, the rise of e-commerce also streamlines the advertising process for businesses since a company's reputation benefits from e-commerce because it raises awareness of its name.

Trade was traditionally carried out in person, with the buyer and seller meeting one another in order to finalize the transaction. Recently, however, there has been a dramatic shift toward the use of e-commerce technologies, also known as electronic commerce. Since both the buyer and the seller can conduct business through an online marketplace or trading platform, traditional in-person meetings between the two parties are no longer required. Beginning with the practice of bartering goods for services, commerce eventually developed into traditional markets, then contemporary markets, and is now transitioning into the era of digital markets, often known as e-commerce.³

E-commerce makes it easier to reorganize business cycles by enhancing the efficiency with which they are run. Unlike traditional stores, e-commerce has several advantages. There is less paperwork involved, thanks to e-commerce. Companies can expand their reach to the general public and international markets with less risk by conducting business online. Companies with an online presence have access to a global customer base, superior service providers, and reasonable co-workers.

When it comes to marketing methods that are used for advertising products online, social media plays a significant part in the world of e-commerce. An online marketing strategy known as social media marketing activity communicates with users by utilizing the cultural context of social communities such as social networks, virtual worlds, social news sites, and social opinion-sharing sites. Activities related to social media marketing may be carried out on several social media platforms. The practice of social media marketing carries with it some benefits for businesses, including an increase in sales and brand value, the dissemination of information regarding brands, and the development of relationships with customers.⁴

The rise of the e-commerce industry presented customers with a more convenient way to purchase and vendors with a lower-cost selling channel that differed from old business strategies. For the first time, global e-commerce sales will top \$5 trillion, accounting for more than a fifth of total retail sales. Despite slowing growth, total spending is expected to exceed \$7 trillion by 2025. The e-commerce sector is rapidly evolving, and it has steadily grown more accepting of people's daily lives. Among all e-commerce sites, TikTok, also known as Douyin in China, is one of the most popular. Six hundred million of China's 1.4 billion people use Douyin on a regular basis, with 400 million searching for videos. The platform was then expanded with the addition of a new TikTok e-commerce unit, which saw tremendous development in two years. TikTok's gross merchandise value (GMV) increased 320% year on year in the fiscal year ended in April, with the company selling over 10 billion goods. These

³ Yasep Azzery, 'Analysis of E-Commerce Growth in the Industrial Age 4.0 in Indonesia', *International Journal of Engineering Continuity*, 1.1 (2022), 1–8 <https://doi.org/10.58291/ijec.v1i1.33>

⁴ Nihayatul Maskuroh and others, 'Social Media as a Bridge to E-Commerce Adoption in Indonesia: A Research Framework for Repurchase Intention', *International Journal of Data and Network Science*, 6.1 (2022), 107–14 <https://doi.org/10.5267/j.ijdns.2021.9.017>

figures show that it helped TikTok become one of China's most prominent social e-commerce sites.⁵

Meanwhile, according to the findings of the Global E-Commerce Market, Indonesian e-commerce improved its standing in 2019 by moving up to 20th place among other countries across the world. While this was going on, the Compound Annual Growth Rate (CAGR) of Indonesia reached 16.6%, placing it in third place among the countries of Southeast Asia. The number of people shopping online in Indonesia increased to 107 million during this past year.⁶ At the same time, Indonesia is presently in second place worldwide in terms of the number of people who are using TikTok at any given moment, with a total of 99.1 million users. TikTok users in Indonesia spend an average of 23.1 hours per month on the platform, according to data collected from those users.⁷

Selling items on TikTok is extremely easy, and there is little oversight of sellers of counterfeit items on TikTok. Because of the ease with which Tik Tok stars can amass fortunes, a number of con artists have decided to broaden their market to the popular video-sharing app. It's not unusual for Tik Tok users to fall for scams posing as legitimate stores selling popular goods. It has served as a "black market" for those looking to make money by selling counterfeit goods. So, while the ability to sell products on TikTok is one of the benefits they provide to their users and a way for them to attract more potential users, they need to be fully prepared for issues such as counterfeiting. TikTok has so many sellers, the short video-making company needs more time to validate each product those sellers put out there. They also need to provide more assistance to customers who have been duped. Furthermore, TikTok may claim that they bear no responsibility if customers are duped. Because TikTok is only a short video platform, it could only be the merchant's fault. TikTok's product surveillance is inadequate. Because this is a major issue, Tik Tok has been working on it for quite some time.⁸

Advancing science and technology is the key to increasing productivity and efficiency in producing goods or services. Consumers ultimately pay the price for efforts to increase production and efficiency, whether directly or indirectly. In light of this, legal protection for consumers is crucial. Due to the absence of real-world accountability for online transactions, online deceit or fraud has often been used and practiced successfully.⁹ According to Zheng Qin's book "Introduction to E-Commerce," personal information about buyers and sellers is required for all transactions. In addition, data collectors can know and record consumers'

⁵ Yiting Chen, 'Research on Douyin as an E-Commerce Platform Impacts the Buying Decisions of Users', *Highlights in Business, Economics and Management*, 2 (2022), 395-400 <https://doi.org/10.54097/hbem.v2i.2393>

⁶ Dana Indra Senses and others, 'Challenges and Recommended Solutions for Change Management in Indonesian E-Commerce' (presented at the 2020 International Conference on Information Technology Systems and Innovation (ICITSI), IEEE, 2020), pp. 250-55 <https://doi.org/10.1109/ICITSI50517.2020.9264950>

⁷ Elizabeth Putrinda Ratu, Joy Elly Tulung, and Lawren Julio Rumokoy, 'The Impact of Digital Marketing, Sales Promotion, and Electronic Word of Mouth on Customer Purchase Intention at Tiktok Shop', *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 10.4 (2022), 149-58 <https://doi.org/10.35794/emba.v10i4.43705>

⁸ Jufang Wang, 'From Banning to Regulating TikTok: Addressing Concerns of National Security, Privacy, and Online Harms', *Policy Brief. The Foundation for Law, Justice and Society*, 2020.

⁹ Dilshad Shaik and Ms V Poojasree, 'Consumer Protection in E-Commerce: A Legal and Compliance Framework in the Digital Market' (presented at the 1st International Conference on Law and Human Rights 2020 (ICLHR 2020), Atlantis Press, 2021), pp. 18-23 <https://doi.org/10.2991/assehr.k.210506.004>

digital footprints, even if they do not have consumers' consent or knowledge, and then sell this data for commercial gain to other organizations.¹⁰

For the purpose of this study, the author will use Indonesia and China as references to analyze this topic. The reason why the author chooses to compare China with Indonesia is that both countries use Civil Law as their legal basis. However, because the two countries have different ideologies that have greatly influenced legislation formulation, both can be used as parallels in assessing legal issues, particularly those pertaining to legal protection for actors involved in e-commerce. The issue is that many people who shop online fall prey to deceptive or false advertising, defective goods, phony deliveries, unsafe goods, problems with payments, security, and privacy concerns, unilateral contracts, etc.

In light of this, the article is conducted to find out and assess recent legislative advancements in e-commerce and analyze the similarities and differences between e-commerce laws in Indonesia and China. This article will describe the proliferation of E-commerce, particularly in the TikTok Shop platform, along with the legal protection of the e-consumers who conduct buying and selling transactions through e-commerce. Therefore, this article explores the following research questions: 1) How is the development of TikTok E-commerce in China?; 2) How is the development of TikTok E-commerce in Indonesia?; 3) How is the legal protection for TikTok shop buyers in China and Indonesia?

2. Method

This research uses a normative legal research approach to find legal rules, legal principles, and doctrines of the law to address the legal issues at hand by analyzing the law used in China and Indonesia to find out about the legal protection of e-consumers, particularly in the TikTok platform. Library research is also used in this research to review diverse literature and other sources that are relevant to the topics covered, such as books, journals, and legislation. In this work, the author employed a legislative and comparative method, investigating comparisons of regulations in the field of E-commerce between China and Indonesia.

3. Discussion and Analysis

3.1. Development of TikTok E-Commerce in China

Online purchases are growing as a percentage of total retail sales due to rising disposable income and the ever-improving state of Internet infrastructure. With the breakdown of regional barriers to trade and investment, consumers and businesses alike are warming up to the idea of importing goods purchased online from other countries. Over the past few years, China has invested heavily in infrastructure and computer technology, laying a solid groundwork for the growth and expansion of international online trade.¹¹

In the present era, the improvement of mobile communication technology has sparked a quick expansion into a new phase of e-commerce performance known as live streaming.

¹⁰ Etania Fajarani Halim, 'Perlindungan Hukum Data Pribadi Pembeli Di Perdagangan Secara Elektronik (E-Commerce) Di Indonesia [Legal Protection of Buyer's Personal Data in E-Commerce in Indonesia]', *Jurnal Hukum Visio Justisia*, 2.1 (2022), 1–22 <http://dx.doi.org/10.19166/vj.v2i1.5190>

¹¹ Jing Han and Taehee Lee, 'The Influence Factors of China's Cross-Border E-Commerce Export Trade Using Gravity Model', *Journal of Korea Trade (JKT)*, 26.5 (2022), 56–75.

Improved user experience in live-streaming e-commerce is possible with today's 5G mobile connectivity technologies. The COVID-19 epidemic of early 2020 greatly enhanced the popularity of short videos. Because of how accessible modern short video is, anyone may utilize them to present themselves. Live streaming e-commerce has benefited from the favourable external environment generated by the proliferation of short videos, which have produced a short video platform with high user stickiness and low customer acquisition cost. In 2019, the cost of customer acquisition ranged from 15 yuan on Kuaishou to 20 yuan on Douyin or TikTok to 284 yuan on Pinduoduo to 420 yuan on Alibaba to 508 yuan on JD.com, according to data from Wind.¹²

E-commerce live streaming is a novel advertising tactic that makes use of live streaming technology to showcase goods and services, respond to customer questions, and direct business over the internet. The origins of live streaming may be traced back to the growth of new media channels, which in turn developed from television shopping shows shown on conventional television. Mogujie, the pioneer of e-commerce live streaming, was the first in the business to offer live video capability in March 2016. As of June 2020, 309 million people were using live streaming services for e-commerce, up 44.3 million from March 2020 and 16.7 percent year-over-year growth. In the first half of the year, e-commerce live streaming was the fastest-growing personal Internet application.¹³

The TikTok platform's general development momentum is positive, but it is difficult to maintain a prolonged, healthy, and orderly development.¹⁴ In China, TikTok, also known as Douyin, has benefited from the growth of China's social e-commerce business. Douyin has been able to integrate existing successful business concepts into its platform because of China's virtual giving culture and live-streaming commerce. Similar techniques, however, are less effective on TikTok outside of China due to variances in international e-commerce markets. Although platform politics increasingly impact content creators, new platforms are not immune to the political economics of the ecosystems in which they are formed.¹⁵

Maintaining TikTok's commercial worth depends on its massive user base and growing trajectory. TikTok's overall number of downloads has been expanding significantly since 2020, with 500 million active users worldwide, covering 150 nations and regions at home and abroad. According to official TikTok data, Chinese TikTok users are extremely congruent with the majority of Chinese Internet users. The age distribution of TikTok users is well balanced, with the 25 to 35-year-old group being the largest. At the same time, the 25-35 age group is the most frequent consumer of home Internet consumption. In this sense, TikTok is the consumers'

¹² Xiaoqian Zhou, 'Research on the Development Prospect of E-Commerce Live Broadcast Based on SWOT Analysis', *Highlights in Business, Economics and Management*, 2 (2022), 131-35 <https://doi.org/10.54097/hbem.v2i.2350>

¹³ Meijie Lyu, 'Opportunities and Reflections of Paying for Knowledge Online in the Context of E-Commerce Live Streaming' (presented at the 2022 7th International Conference on Modern Management and Education Technology (MMET 2022), Atlantis Press, 2022), pp. 458-65 https://doi.org/10.2991/978-2-494069-51-0_63

¹⁴ Yifan Feng, 'Research on Live E-Commerce Based on Digital Marketing: Tiktok E-Commerce Live Streaming as an Example', *Highlights in Business, Economics and Management*, 2 (2022), 125-30 <https://doi.org/10.54097/hbem.v2i.2348>

¹⁵ D Bondy Valdovinos Kaye, Xu Chen, and Jing Zeng, 'The Co-Evolution of Two Chinese Mobile Short Video Apps: Parallel Platformization of Douyin and Tiktok', *Mobile Media & Communication*, 9.2 (2021), 229-53 <https://doi.org/10.1177/2050157920952120>

actual and potential consumption power. Additionally, this holds importance from a business perspective for TikTok.¹⁶

The usage of TikTok's function has not only fostered the diffusion and sharing of Chinese culture but has also played a significant role in encouraging employment. TikTok advances the offline sector while also contributing to technology innovation, industrial development, and economic progress. TikTok played a significant impact in the year 2021. According to data from the Douyin Double 11 Good Things Festival, from October 27 to November 11, 2021, the cumulative time of the live broadcast room on Douyin e-commerce was 25.46 million hours. In 2018, offline consumption was still larger than online consumption, but online consumption has grown fast in the last four years, increasing by about 803%, while offline consumption climbed by only 31%. Taobao and TikTok are the most typical of online consumption in China, and both have made significant contributions to the development of online consumption. However, TikTok's growth has now outpaced that of Taobao.¹⁷

As Chinese customers continue to move their shopping habits online, the country's already massive e-commerce business is projected to expand by an impressive 10.4% in 2022. In 2022, analysts predict the market will expand to a value of CNY14.5 trillion (\$2.3 trillion). E-commerce sales in China increased at a compound annual growth rate of 13.3% between 2018 and 2021, reaching CNY13.1 trillion (\$2.1 trillion) in 2021, according to Global Data's E-Commerce Analytics. In terms of the total value of payments made in the global e-commerce market in 2021, China held a share of more than 37%. In 2021, the United States had \$1.5 trillion in Gross Domestic Product (GDP), and the United Kingdom had \$292 billion. With China anticipated to maintain its leadership position in 2022, the global e-commerce landscape is unlikely to shift.¹⁸

3.2. Development of TikTok E-Commerce in Indonesia

According to the data derived from the Association of Internet Service Providers Indonesia (*Asosiasi Penyelenggara Jasa Internet Indonesia/APJII*) shows that in the range of 2021-2022, the percentage of internet penetration in Indonesia reaches 77.02% with a population of 210,026,769 internet-connected people out of a total population of 272,682,600 people. The survey results from the Indonesia Internet Service Provider also show the percentage based on the content frequently accessed by most people in Indonesia. In the survey data, social media has the highest statistic with a ratio of 89.15%, while online shopping occupies the third highest position with 21.26¹⁹

Most Indonesians' lifestyles have changed significantly due to this rapid technological improvement. Furthermore, it is undeniable that the extent of social and cultural spheres has

¹⁶ Yingjia Hu, 'Research on the Commercial Value of Tiktok in China', *Academic Journal of Business & Management*, 2.7 (2020), 57-64 <https://doi.org/10.25236/AJBM.2020.020706>

¹⁷ Haining Liu, 'Rapid Development of Douyin Will Have a Great Threat to Taobao and Subvert the Industry Pattern' (presented at the 2022 7th International Conference on Financial Innovation and Economic Development (ICFIED 2022), Atlantis Press, 2022), pp. 2562-68 <https://doi.org/10.2991/aebmr.k.220307.418>

¹⁸ GlobalData.com, 'China Continues to Lead Global E-Commerce Market with over \$2 Trillion Sales in 2022, Says GlobalData', 9 August 2022 <https://www.globaldata.com/media/banking/china-continues-to-lead-global-e-commerce-market-with-over-2-trillion-sales-in-2022-says-globaldata/> [accessed 14 December 2022].

¹⁹ Asosiasi Penyelenggara Jasa Internet Indonesia, *Profil Internet Indonesia 2022* (APJII, 2022) <https://apjii.or.id/content/read/39/559/Laporan-Survei-Profil-Internet-Indonesia-2022> [accessed 22 October 2022].

also been impacted by technological advancement. Due to its contribution to efficiency, the Internet started to be widely employed as a medium of business activity in e-commerce. The development of e-commerce has significantly aided in moderating the process of individual exposure and accessibility on the internet.²⁰ E-commerce was first developed in Indonesia in 1994 by IndoNet, which was the country's first commercial Internet Service Provider (ISP). However, at that time, the internet could only be used as a communication medium and as a digital storefront with regular payments. IndoNet is credited with being the first to develop e-commerce in Indonesia.²¹

However, the emergence of e-commerce in Indonesia dates back to 1993 with the emergence of the Bhinneka company. In the course of time, brand-new e-commerce websites have emerged, all of which offer assurances of convenience and security during the purchasing process. This has contributed to the increasingly cutthroat competition that exists in the field of e-commerce. Tokobagus.com was present in 2006 as an Indonesian classified website that focuses on providing quality used goods advertising, services, and job vacancies. The digital payment process also offset the development of the buying and selling style of the Indonesian people. In 2011, a foreign company called Rakuten carried the B2B2C (business-to-business-to-consumer) model entered Indonesia, in another term, an online supermarket. Tokopedia was launched on August 17, 2009, as an e-commerce that carries the C2C (Consumer-to-Consumer) marketplace business model.

A financial crisis hit Indonesia around the year 1998, slowing down the development of the e-commerce sector. In recent times, there has been a resurgence in interest regarding the growth of e-commerce. As a result of a large number of visitors, social networking sites have emerged as one of the most important foundations for e-commerce endeavors in Indonesia. People in Indonesia have started social networks through various social media platforms in order to advertise their businesses. According to a poll that was carried out by the Ministry of Communication and Information in Indonesia between the years 2007 and 2011, as much as 24 percent of the country's population engaged in online shopping.²² And now, TikTok has joined and debuted its new e-commerce platform in Indonesia in February 2021. TikTok has introduced a game-changing concept to the realm of e-commerce by allowing businesses to market their wares to users via entertaining videos or live streams, with users then being linked straight to the advertised store.

Anang Sukandar, the chairman of the Indonesian Franchise Association, evaluated social media as a marketing tool that can reach a bigger market than traditional approaches in the past. With a large user base practically everywhere in the globe today, TikTok is one of the numerous social media platforms that has rapidly grown in popularity. Particularly in Indonesia, it has been noted that in April 2022, TikTok's monthly active users reached a

²⁰ Ananda Dwitha Yuniar and Alan Sigit Fibrianto, 'The Affect of Technical Familiarity and Consumer Protection Behavior in Using E-Commerce as Platform Online Shopping' (presented at the 2019 International Seminar on Application for Technology of Information and Communication (iSemantic), IEEE, 2019), pp. 300–305 <https://doi.org/10.1109/ISEMANTIC.2019.8884265>

²¹ Romindo Romindo and others, *E-Commerce: Implementasi, Strategi Dan Inovasinya* (Yayasan Kita Menulis, 2019).

²² Sahya Anggara and Zang Cao, 'E-Commerce in Singapore and Indonesia: Comparison of Policies', *International Journal of Science and Society*, 1.1 (2019), 12–23 <https://doi.org/10.54783/ijssoc.v1i1.6>

spectacular level of 99.1 million. With 136.4 million users, Indonesia now ranks second behind the United States.²³

3.3. Legal Protection for TikTok Shop Buyers in China and Indonesia

The development of legal norms is perpetually dynamic, reflecting the progress of society as a whole. The relevance of the law rests in the fact that the regulation works to protect individuals and the rights they are entitled to. In spite of the significance they have, customers frequently find themselves victimized by unethical commercial activities.²⁴

It has been questioned whether or not consumer protection laws are actually successful in protecting customers during individual transactions. When it comes to consumer law, the onus of responsibility for making an educated decision rests with the consumer. The solutions often entail refining (and sometimes even increasing) the amount of information a customer has access to before making a purchase.²⁵

When it comes to consumer safety, standards development is not a guarantee. In order to provide an adequate level of protection, it is necessary to include public policy safety issues such as safety and consumer protection in standards rather than focusing solely on technical matters. Thus, at the very least, the law should provide the necessary participation of consumer advocates in standardization.²⁶

The idea that one should center their attention on doing the right thing lies at the heart of both ethical corporate behavior and regulation.²⁷ This is accomplished by first creating the framework for a culture that is both productive and ethical, based on a set of shared principles, and then consistently reinforcing and applying those values.²⁸ When the overall benefit of society is considered, legislation designed to safeguard consumers receives a lot of attention. Consequently, it is the responsibility of the government to regulate, supervise, and oversee many different aspects of society to provide a coherent and efficient framework to promote the common good.²⁹

The most pressing task facing regulators today is the development of a regulatory framework that promotes responsible and long-term innovation. We must recognize that the introduction and proliferation of digital technologies have altered the nature of the underlying

²³ Mitra Tarigan, 'Pengguna TikTok Di Indonesia Kedua Di Dunia, Cocok Untuk Kampanye Marketing', 7 August 2022 <https://gaya.tempo.co/read/1620184/pengguna-tiktok-di-indonesia-kedua-di-dunia-cocok-untuk-kampanye-marketing>

²⁴ Juliana Lilly and others, 'Wells Fargo: Administrative Evil and the Pressure to Conform', *Business Horizons*, 64.5 (2021), 587–97 <https://doi.org/10.1016/j.bushor.2021.02.028>

²⁵ Inge Graef and Sean Van Berlo, 'Towards Smarter Regulation in the Areas of Competition, Data Protection and Consumer Law: Why Greater Power Should Come With Greater Responsibility', *European Journal of Risk Regulation*, 12.3 (2021), 674–98 <https://doi.org/10.1017/err.2020.92>

²⁶ Vanessa Mak and Evelyne Terryn, 'Circular Economy and Consumer Protection: The Consumer as a Citizen and the Limits of Empowerment through Consumer Law', *Journal of Consumer Policy*, 43.1 (2020), 227–48 <https://doi.org/10.1007/s10603-019-09435-y>

²⁷ Linda K Trevino and Katherine A Nelson, *Managing Business Ethics: Straight Talk About How To Do It Right* (John Wiley & Sons, 2021).

²⁸ Fulvia Calcagni and others, 'A Tag Is Worth A Thousand Pictures: A Framework for an Empirically Grounded Typology of Relational Values Through Social Media', *Ecosystem Services*, 58 (2022), 101495 <https://doi.org/10.1016/j.ecoser.2022.101495>

²⁹ Harold Feld, 'The Case for the Digital Platform Act: Market Structure and Regulation of Digital Platforms', *Roosevelt Institute*, 2019.

problem that corporate governance needs to solve.³⁰ TikTok claims that its content is moderated by teams located outside of China, who do so in accordance with the customs and regulations of those regions. According to the Community Guidelines of TikTok, the company takes into account the cultural norms and local regulations of the countries in which it operates its platform.³¹

3.3.1. Legal Protection for Consumers in China

In China, consumer protection law is regarded as part of economic law as a mix of public and private law. Before the Consumer Protection Law, China had established legislation indirectly related to consumer protection. Consumer protection was a side effect of the government's effort to maintain economic order. Articles 122 and 57 of the General Principle of Civil Law, an outstanding statute at the time, are very pertinent to consumer protection. Article 57 declares deceitful behavior null and void. Article 122 holds suppliers and manufacturers accountable for property losses and personal injuries caused by defective products/services. These articles did not go beyond the civil law notion of equal relations, and questions about the imbalance of economic power/information between producers and consumers remained unaddressed. After the Consumer Protection Law, more consumer laws were passed. The most relevant is the Products Quality Law (1993). Anti-Unfair Competition Law (1993), Advertisements Law (1994), Provisional Regulations on the Prevention of Excessive Profiting (1995), Provisional Regulations on the Administrative of Futures Trading (1999), Stipulations on Punishment on Price-Related Law Violations (1999), Anti-Monopoly Law (2007), and Food Safety Law (2009). Consumer protection was a stated goal of the Anti-Monopoly Law. The Consumer Protection Law is the cornerstone of China's legal framework for protecting consumer rights and interests. About 160 laws, regulations, and bylaws directly or indirectly address consumer protection.³²

Supporting and further stimulating domestic demand in China is still the primary objective of the country's Consumer Protection Law. The Consumer Protection Law of China codifies a definition of a "consumer" that is reflective of modern China. Transitioning from a seller's market under the former command economy to a buyer's market in a market-based economy presents unique challenges for China as an emerging economy. However, the State does not want to encourage people to become so-called "professional consumers" who do jobs by exploiting punitive damages provisions in the law. Therefore, consumers in China have a limited role to play in combating poor and fraudulent traders to enhance the marketplace overall. This fine line between individual rights and the communal interest, and between the central government and local stakeholders, in the developing legal system in modern China is reflected in the rather limited role of 'consumers' in implementing the Consumer Protection Law.³³

According to China's consumer protection law, because there is no essential difference in nature between e-commerce platform firms and rental counters, e-commerce platform

³⁰ Mark Fenwick and others, *Organizing-for-Innovation: Corporate Governance in a Digital Age* (Singapore: Springer, 2023).

³¹ Wang.

³² Xiang Zheng and Zhixiong Liao, 'Consumer Law and Practice in China: A Critique on The 20-Year Experience and the Recent Amendment Bill', *IJCLP*, 1 (2013), 1.

³³ Kristie Thomas, 'Analysing The Notion of 'Consumer' in China's Consumer Protection Law', *The Chinese Journal of Comparative Law*, 6.2 (2018), 294–318 <https://doi.org/10.1093/cjcl/cxy010>

enterprises must bear joint and multiple liabilities. According to the draft law on electronic commerce, operators of electronic commerce shall include those who set up their own websites and those who operate enterprises on electronic commerce platforms, as well as operators of electronic commerce other than the two types of operators mentioned above, by giving full consideration to the suggestions made by members of the Standing Committee of the National People's Congress, the adjustment scope of the e-commerce.³⁴

In response to the increasing growth of e-commerce, the People's First Standing Order enacted the People's Republic of China E-Commerce Law (hereafter referred to as "the Law") on August 31, 2018. The Law, which takes effect on January 1, 2019, is the first to regulate e-commerce enterprises, protect consumers, and promote the development of the e-commerce industry in a sustainable and healthy manner. It covers e-commerce operator registration, licensing, taxation, electronic payment, dispute resolution, and IP protection. According to Deacons, the new rule also targets misleading advertising, consumer protection, data protection, and cybersecurity. It attempts to clean up China's reputation as a significant source of counterfeit and knock-off items. Non-traditional e-commerce sites include Tencent Holdings' WeChat Moments feed, and ByteDance's Tik Tok. These merchants must register and pay taxes. A platform operator is accountable if it knows or should know that a merchant on its website infringes on intellectual property rights and fails to delete, block links, or stop transactions.³⁵

3.3.2. Legal Protection for Consumers in Indonesia

Legal protection for consumers is regulated in Law No. 8 of 1999 concerning Consumer Protection, Law Number 11 of 2008 concerning Electronic Transaction Information, Law number 7 of 2014 concerning trade, and Law Number 19 of 2016 concerning Amendments to Law No. 11 of 2008 concerning Information and Electronic Transactions. E-commerce is explicitly regulated in Trade Law No. 7 of 2014. This Trade Law reflects the intention to improve the trade sector as described in trade policies by putting national interests first. This is extremely obvious in Article 2 letter (a), which states that "trade policies are formulated based on the principle of national interest". These national interests include:³⁶

- 1) encourage economic growth;
- 2) encourage trade competitiveness;
- 3) protect domestic production;
- 4) expanding the labor market;
- 5) protect consumers;
- 6) Ensuring the smoothness/availability of goods and services, strengthening MSMEs (Ministry of Micro, Small and Medium Enterprises) and so on.

The Consumer Protection Act (Undang-Undang Perlindungan Konsumen/UUPK), mandated by Law No. 8 of 1999, has been in effect in Indonesia since April 20th, 1999. This law

³⁴ Di Qin, Zhaonan Mu, and Sijialu Yue, 'The Value Orientation of Electronic Commerce Law Based on Computer Network' (presented at the MATEC Web of Conferences, EDP Sciences, 2022), CCCLXV, 01030 <https://doi.org/10.1051/mateconf/202236501030>

³⁵ Zen Soo, 'How China's New e-Commerce Law Will Affect Consumers, Operators. South China Morning Post', 1 January 2019 <https://www.scmp.com/tech/apps-social/article/2180194/heres-how-chinas-new-e-commerce-law-will-affect-consumers-platform> [accessed 17 December 2022].

³⁶ Roberto Ranto, 'Tinjauan Yuridis Perlindungan Hukum Terhadap Konsumen Dalam Transaksi Jual Beli Melalui Media Elektronik', *Jurnal Ilmu Hukum: ALETHEA*, 2.2 (2019), 145-64 <https://doi.org/10.24246/alethea.vol2.no2.p145-164>

consists of 15 Chapters and 65 Articles, along with their explanations. It specifies in great detail the manner in which consumers are to be protected so as to meet their requirements, the extent to which a given body of law governs consumers' and businesses' respective rights and responsibilities, as well as the means through which these rights and responsibilities may be upheld and fulfilled.³⁷

Law No. 8 of 1999 contains principles and objectives, rights and obligations of consumers and sellers, the explanation of forms of actions that are prohibited for Business Actors, provisions for inclusion of standard clauses, Responsibilities of Business Actors, guidance and supervision, explanation of National Consumer Protection Agency, Non-Governmental Organization for Consumer Protection, dispute resolutions, Consumer Dispute Settlement Agency, Investigation and Sanctions against acts of violations.³⁸

Article 1, paragraph 1 of Law No. 8 of 1999 specifies that all attempts to create legal certainty in order to give protection to consumers are included in the definition of consumer protection based on the requirements of the Consumer Protection Act. Benefits, fairness, balance, consumer safety, and security, and legal clarity are the five guiding concepts incorporated into the terms of Article 2 of the Consumer Protection Act No. 8 of 1999. This protection comprises safeguarding against unfair terms for consumers and safeguarding against consumers obtaining goods and/or services that are not in compliance with the agreement or a breach against the provisions of the law.³⁹

However, the Consumer Protection Act No. 8 of 1999 are still deemed as insufficient as there are still many merchants and even scammers who had successfully violated the regulation. According to the Ministry of Communication and Information Technology, Indonesia, there have been 486.000 reports revolving around online transactional fraud.⁴⁰

As a policymaker, the Indonesian government continues to work toward providing legal certainty in order to optimize the protection of consumers' rights, notably in e-commerce transactions, which the Consumer Protection Law specifically governs. Other than the Consumer Protection Act, other regulations can be used to support the protection of consumers in an e-commerce transaction.⁴¹ Law No.11 of 2008 concerning Information and Electronic Transactions as amended by Law no. 19 of 2016 concerning Amendments to Law no. 11 of 2008 concerning Information and Electronic Transactions (hereinafter referred to as the ITE Law) is the primary legal basis for trade transactions using electronic media.

³⁷ Dahlia Dahlia, 'Perlindungan Konsumen Terhadap Transaksi Jual Beli Melalui Media Internet (E-Commerce)', *Jurnal Wacana Hukum*, 8.1 (2009), 23540 <https://doi.org/10.33061/1.jwh.2009.8.1.321>

³⁸ Ida Ayu Eka Pradnyaswari and I Ketut Westra, 'Upaya Perlindungan Hukum Bagi Konsumen Dalam Transaksi Jual Beli Menggunakan Jasa E-Commerce', *Jurnal Kertha Semaya*, 8.5 (2020) <https://ojs.unud.ac.id/index.php/kerthasemaya/article/view/59414>

³⁹ Dewa Gede Sudika Mangku and others, 'The Personal Data Protection of Internet Users in Indonesia', *Journal of Southwest Jiaotong University*, 56.1 (2021).

⁴⁰ Ericha Andreyana, 'Upaya Kominfo Berantas Aksi Penipuan Transaksi Online' <https://aptika.kominfo.go.id/2022/10/upaya-kominfo-berantas-aksi-penipuan-transaksi-online/> [accessed 6 December 2022].

⁴¹ M Hendri Agustawan, Khoirul Umam, and Mohammad Maleka, 'The Importance of Consumer Protection Law Revision in the Development of E-Commerce in the Digital Transformation Era in Indonesia', *Proceedings of Islamic Economics, Business, and Philanthropy*, 1.2 (2022), 305-17 <https://jurnalfebi.iainkediri.ac.id/index.php/proceedings/article/view/249>

Legal protection for consumers in electronic trading transactions is contained in Article 28 paragraph (1) of the ITE Law, namely: "Every person intentionally and without right spreads false and misleading news that results in consumer losses in electronic transactions." Regarding the criminal sanctions applied for violations committed in Article 28 paragraph (1), the provisions are contained in Article 45 a paragraph (1) of the ITE Law, namely: "Any person who intentionally and without rights spreads false and misleading news that results in consumer losses in electronic transactions as referred to in Article 28 paragraph (1) shall be subject to imprisonment for a maximum of 6 (six) years and/or a fine of up to Rp. 1,000 000,000.00 (one billion rupiah)".

4. Conclusion

The development of legal norms is dynamic, reflecting the progress of society. Standards should include public policy safety issues and consumer protection. Online purchases are growing due to rising disposable income and the improving state of Internet infrastructure. TikTok has been able to integrate successful business concepts into its platform due to China's virtual giving culture and live-streaming commerce, but its commercial worth depends on its massive user base and growth trajectory. Still, its commercial worth depends on its massive user base and growth trajectory. TikTok shop's content is moderated by teams outside of China, taking into account cultural norms and local regulations.

The Consumer Protection Law of China is the cornerstone of China's legal framework for protecting consumer rights and interests. Consumers have a limited role to play in combating poor and fraudulent traders to enhance the marketplace overall. The People's Republic of China enacted the E-Commerce Law on August 31, 2018, which covers e-commerce operator registration, licensing, taxation, electronic payment, dispute resolution, and IP protection. In Indonesia, the Consumer Protection Act No. 8 of 1999, Law Number 11 of 2008, Law Number 7 of 2014, and Law Number 19 of 2016 regulate legal protection for consumers, encourage economic growth, protect domestic production, expand the labor market, protect consumers, ensure the smoothness/availability of goods and services, strengthen MSMEs, and investigate and sanction acts of violations.

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