



Developments in Business Dispute Resolution in the Digital Era

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Abstract. Current information technology has a major impact on the ability of individuals to access digital spaces and carry out activities easily and efficiently. In this important business world, various problems often arise and increasingly lead to business disputes. The purpose of this study is to provide an in-depth analysis of the urgency of formulating laws to resolve commercial disputes in the digital era, including the introduction of Online Dispute Resolution (ODR) in Indonesia. Digitalization changes law enforcement, thus requiring a comprehensive study of commercial dispute resolution in the digital era. This study was conducted using a normative research methodology using qualitative data and documents, literature, laws and regulations as a form of research interpretation. Selected secondary data were taken from literature, dictionaries, laws and regulations as reference sources. Disputes that lead to business disputes can be resolved through judicial and non-judicial strategies. In the field of litigation, the Supreme Court (MA) and its judicial bodies have played a role in developing legal products, especially e-Court, which allows registered users to access various administrative mechanisms, including online. These objectives have been met. Case registration and online case access. Implementation of legal processes, reimbursement of costs, electronic summons of parties, and implementation of legal processes electronically. If the dispute is not legal in nature, it can be resolved through Alternative Dispute Resolution (ADR).

Keywords : Law, Business, Dispute Resolutio

1. INTRODUCTION

Problems or disputes often occur in the activities of the wider community. These problems or debates usually occur in various areas of life, one of which is in monetary and business activities. The existence of conflicts of interest, differences of opinion, and even fear of loss are often the causes of these problems or disputes (Anggraeni, Dian Novitasari, 2023). Before the digitalization factor, the resolution of problems or disputes could be done through deliberation or if it was not possible to take a peaceful path, it could be started by filing a lawsuit at the local court and ending with a decision by a judge from a particular court. Then along with the development of the era, a new breakthrough emerged accompanied by advances in technology to access all forms of mechanisms that can be done online more effectively and efficiently in their use. In this case, it can encourage a country to provide new policies following the direction of modernization (Yuspin *et al*, 2023).

Significant changes in the world of industry, business, and law have an impact on people's behavior. Automation, robotics, and artificial intelligence are the fruits of applications that can increase the efficiency and productivity of local communities (Fuad *et al*, 2022). Society is now presented with easy access to information in multi-sectors (Wirakusuma, 2022).

The increased efficiency of business processes offered by digitalization, such as the application of artificial intelligence and data analysis, provides convenience in determining

better policies and improving operational performance. The phenomenon of digitalization makes information and services more accessible to the public. Research shows that the term digitalization refers to the application of digital technology and data to improve business, income, and create a digital culture (Yunaningsih *et al*, 2021). Where the coming digital era will continue to influence various aspects of human life, including in the business world and law enforcement. Digitalization constantly has an impact on human life, including the business world and law enforcement. Other research explains that technological changes and digitalization have a significant impact on ending business disputes (Hakim *et al*, 2023).

Previous research on online negotiation in determining the price of goods or services and consumer protection regulations are linked to be used as a basis for conducting this research. However, in the research, the discussion of legal updates and the development of digital technology utilization has not been specifically discussed. This is what underlies the researcher to conduct research entitled Development of Business Dispute Resolution in the Digital Era as an update of previously analyzed research.

2. RESEARCH METHODS

This research uses a normative research method with qualitative data obtained from valid literature. Secondary data used refers to laws and regulations such as UU No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, written and unwritten regulations, magazines, newspapers, books, to national and international journals. Data collection is carried out using a literature study method where information obtained from these sources is explained and can be accounted for.

3. RESULTS AND DISCUSSION

Business Dispute Resolution in the Digital Age

In legal science, especially contract law, a dispute that occurs between parties in a contract is the definition of a dispute. This dispute occurs as a consequence of a violation of the agreement that has been regulated in the contract by one or several parties due to non-fulfillment or excessiveness which results in one party being harmed (Armour, John, 2020). Generally, disputes can be resolved through the assistance of litigation (court) and non-litigation (outside the court) institutions, this is stated in Article 6 paragraph 1 of UU No. 30 of 1999 concerning arbitration of civil disputes that can be resolved by the parties through alternative media based on good faith by setting aside litigation in the District Court. This is a reflection of efforts to resolve disputes using efficient, flexible, and collaborative methods that

are generally found in non-litigation methods such as arbitration (Pramudya *et al*, 2018). The impact of the rapid development of technology is so widespread throughout the world, it seems as if there is no country in the world that is not affected by the development of technology (Febriandika *et al*, 2022). In general, Arbitration and other Alternative Dispute Resolutions conducted online are not much different from arbitration and Alternative Dispute Resolutions in the past traditionally. If there are differences, they only depend on the way electronic means are used with their application. In online arbitration, registration of a case, selection of an arbitrator, submission of certain documents, deliberation by the arbitrators in the case of an arbitration tribunal of more than one special arbitrator, making a decision, and notification of the decision are carried out using an online mechanism (Riza Faisal, 2019).

Since 2018, the Supreme Court and the courts below it have made a breakthrough by launching the "E-Court" system in the form of case registration services, court cost estimates, payments, summonses, and trials electronically and online. As for electronic trials conducted using zoom meeting media, this is considered quite good in facing the 5.0 era, especially in resolving disputes through litigation (Sugiarto, 2019). When efforts to resolve disputes are hampered by the presence of advanced technology, it can be called online dispute resolution (ODR) where this method is similar to ADR, only the mechanism is implemented online (Solikhin, 2023).

Legal Arrangements for Online Dispute Resolution (ODR) in Indonesia

The Indonesian economy is currently experiencing digitalization as an impact of the digital era. As a member of the UN, Indonesia regulates the resolution of business disputes through UU Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law) (Mochtar, 2021). The AAPS Law opens up opportunities for dispute resolution outside the court in an easier way and provides solutions. Clause 1 section (10) of the AAPS Law lists five types of alternative dispute resolution, including consultations involving legal opinions from a consultant to his client, with the final decision remaining with the client.

Regulations regarding Online Dispute Resolution (ODR) in Indonesia are currently regulated by the Arbitration and Alternative Dispute Resolution UU (AAPS Law). Clause 6 of the AAPS Law stipulates that meetings between the disputing parties must be completed within a maximum of 14 days, and the results agreed upon in writing. The article also states that resolution through a mediator can be carried out, and parties can contact an alternative dispute resolution institution to appoint a mediator. Although not explicitly stated, the AAPS Law does not prohibit dispute resolution through ODR, as long as an agreement is reached within the time specified by law and presented in writing. The parties can appoint experts independently

or through an alternative dispute resolution institution. Clause 37 emphasizes that the place of settlement can be determined by the parties, even online, provided that there is an inspection of goods or a local inspection carried out offline and legally summoned. Thus, the AAPS Law provides space for the implementation of ODR in several stages of alternative dispute resolution (Benu *et al*, 2023).

The Urgency of ODR as a Form of Achievement in the Digital Era

The development of people's mindset and acceptance of information technology in Indonesia has paved the way for the development of civil dispute resolution facilities. Online Dispute Resolution (ODR) is one of the indicators of improving services and technology in Indonesia, making it easier for business actors in disputes. ODR allows resolution through consultation, mediation, conciliation, negotiation, and expert assessment in accordance with the Arbitration and Alternative Dispute Resolution Law (UU AAPS), with a focus on profitable solutions. Although ODR does not yet have specific regulations, the Electronic Information and Transactions Law (UU ITE) is the basis for its implementation. The ITE Law regulates electronic transactions and cyberspace, becoming an integral part of legislation in Indonesia which is the result of ratification of the influence of international law (Prakoso *et al*, 2020)

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4. CONCLUSION

Settlement of business disputes in Indonesia involves two main channels, namely Litigation and non-Litigation. In the settlement of non-litigation disputes, alternative dispute resolution involves Online Dispute Resolution (ODR), where the implementation is similar to Alternative Dispute Resolution. So far, the implementation of UU No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution is an important breakthrough as a legal regulation in order to provide maximum options for handling business dispute resolution in

Indonesia. With the existence of alternative business dispute resolution like this, it is hoped that the settlement can be determined by the disputing parties, without having to go through the general court trial mechanism (litigation). The method of dispute resolution that is centralized by the court usually takes a relatively long time. This is considered less effective, because it will affect time efficiency. With the difference that lies in the use of online media, Indonesia has shown its readiness to face the digital era, both in terms of government and human resources. The establishment of legislation related to ODR in Indonesia is an important step to help resolve disputes that are integrated with technological growth in the Society 5.0 era. The related Laws and Government Regulations that regulate dispute resolution are the basis for the establishment of special laws related to business dispute resolution. This reflects a positive response to technological developments and the need for regulations that are in accordance with the times.

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