

Legal Aspects and Legal Implications of Auctioning Goods Via Social Media Platforms

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ABSTRACT

KEYWORDS

Legal Aspects; Legal Implications, Auctions; Social Media Platforms.

The rapid advancement of information technology in this era has driven people's need for increasingly diverse information. In this context, Indonesia requires that every change take into account the social aspects of society. As explained by Soejono Soekanto, changes in the legal realm do not always occur simultaneously. This also indicates a gap that needs to be addressed in technology. The use of social media is not limited to social activities but has also penetrated the business world, including the auction process. The increasingly easy access to online auctions through social media has impacted issues related to information and communication technology, necessitating methods that can resolve these issues and provide solutions. This research uses a normative juridical approach by examining laws and regulations, legal doctrines, and contract standards to address legal issues in the auction implementation system, specifically regulated in Minister of Finance Regulation No. 213/PMK.06/2020 concerning Auction Implementation Guidelines, one of the main regulations. These regulations relate to the legal basis and procedures, as well as the rights and obligations of the parties in the auction process.

INTRODUCTION

In this modern era, technological advances have given birth to a transformational transformation that touches various joints of people's lives. The Internet is here to be one of the most revolutionary innovations that we have learned and adopted. Creating a seamless communication bridge that connects all humans in the world (Kumar & Choudhary, 2024; Mehra et al., 2025). In recent years, the rapid development of information and communication technology has not only changed the way humans communicate but also from the economic sector, especially business and trade transactions, this change has changed the paradigm in the way people do activities and interactions (Dizard Jr, 2021; Ribeiro et al., 2023; Thoma et al., 2015).

The advancement of information technology that develops rapidly in this era has encouraged humans to have information needs and are increasingly diverse (He et al., 2021; Lee et al., 2018; Prastyaningtyas et al., 2023; Sciences et al., 2017; Sima et al., 2020). In this context, Indonesia requires that all changes that occur take into account social aspects in society. As explained by Soejono Soekanto, in the social aspect, changes in the legal realm do not always go hand in hand or occur in a matter of time, this also shows that there is a gap that

needs to be bridged in terms of technology (Rakatullah, n.d.). The use of social media is not only limited to activities but has also penetrated into the business world in the auction process.

This emerged as a trend that not only changed the digital-based economy, of course this gave rise to various complex and urgent legal implications. In the context of Indonesian law, the implementation of auctions is specifically regulated in the Regulation of the Minister of Finance which is stated in No. 213/PMK.06/2020 concerning Guidelines for the implementation of auctions as one of the main regulations. This regulation relates to the legal basis and procedures, rights and obligations of the parties in the auction process (Gyovai & Kiss-Kondas, 2016; Nugraha & Simamora, 2022; Riefa, 2016; Sidabariba & Sari, 2023; Sitompul, 2022).

The urgency in this research is further emphasized in the legal problems that arise from the use of social media in the auction process. Issues that are circulating related to the protection of the personal data of auction participants, where electronic transactions go, fraud prevention, manipulation in auctions online, and law enforcement in digital shutters (Rangel Martins De Oliveira, 2023). Which causes jurisdictional problems in proving the law that has never been faced (Ajayi, 2016; Chawki et al., 2015; Rangel Martins De Oliveira, 2023; Shapiro, 2022).

Technological developments Blockhain and Smart Contract opening a new dimension in the implementation of digital auctions that has the potential to provide transparency in digital auctions. However, this technological additch also raises legal questions, such as its legal status, or what Sharia principles are. With the increasing ease of access related to online auctions through social media, this also has an impact on problems related to information and communication technology, so there needs to be a way to make this issue complete and have a solution.

The Legal Aspects and Legal Implications of Auctioning Goods via Social Media Platforms research aims to comprehensively analyze and examine the legal aspects that govern the practice of auctioning goods through social media platforms and their legal implications for the parties involved, both sellers, buyers, and platform operators. This research is useful to provide a clear juridical understanding of the validity of agreements, consumer legal protection, legal responsibilities of the parties, and potential disputes arising in digital auction practices. In addition, the results of this research are expected to be an academic reference for the development of the study of cyber law and electronic commerce law, as well as provide practical contributions for policymakers, law enforcers, and business actors in formulating regulations, guidelines, and online auction practices that are safer, fairer, and have legal certainty.

METHOD

This research was normative legal research that examined law as a norm system to solve legal problems. The focus was on online auctions and the regulations that existed in Indonesia. This research used a normative juridical approach by examining laws and regulations, legal doctrines, and contract standards to answer legal issues in the auction implementation system, specifically regulated in the Regulation of the Minister of Finance No. 213/PMK.06/2020 concerning Guidelines for the Implementation of Auctions, as one of the main regulations. This regulation related to the legal basis and procedures, rights, and obligations of the parties in the auction process.

The urgency in this research was further emphasized in the legal problems that arose from the use of social media in the auction process. Issues circulated related to the protection of personal data of auction participants in electronic transactions, fraud prevention, manipulation in online auctions, and law enforcement in digital spaces, which caused jurisdictional problems in proving the law that had never been faced before.

RESULT AND DISCUSSION

Legal Legality and the Process of Auctioning Goods on Social Media

Strengthening the law on auctions through social media is a complex issue in Indonesia, historically the concept of auction can be interpreted and regulated in the Vandu reglement saatsblad 1908 Number 189 as the main legal basis, in the context of law in Indonesia this has become a transitional law in article I of the 1945 Constitution Transitional Rules. In this context, law enforcement in electronic transactions can be seen in Law Number 11 of 2008 Jo Law no. 19 of 2016 Jo Law no. 1 of 2024 in Article 5 paragraph 1 states that electronic information and/or electronic documents or printed results are valid legal evidence (Information Technology Law No. 19, 2016). These provisions are also related to auctions based on auctions on social media, but law enforcement in this case is not immediately recognized.

There are also regulations that regulate the regulation of the Minister of Finance of the Republic of Indonesia Number 213/PMK.06/2020 concerning the appointment of auction implementations which are the highest regulations (Regulation of the Minister of Finance of the Republic of Indonesia Number 213/PMK.06/2020).

Legal recognition of auctions through social media is also reviewed from the legal precedent of agreements, namely article 1320 of the Civil Code which regulates the conditions for the validity of an agreement which includes agreements, the parties' agreements and halal causes (Civil Code Article 1320). Auction is basically a form of sale and purchase agreement with special characteristics.

In the context of electronic trade law, government regulation number 80 of 2019 concerning trade through electronic systems in article 1 number 2 can include online auction activities regulated in Indonesian law (Tista, 2013). Furthermore, it is regulated in Law Number 11 of 2008 Jo Law No. 19 of 2016 Jo Law No. 1 of 2024 concerning Information and Communication Technology which explains that auctions in social media must meet the requirements for validity, this is meant to be the use of a secure electronic system.

Then it can be seen in the regulation on consumer protection Law number 8 of 1999 that social media auctions must guarantee the rights of consumers in question the rights of clear and correct information about the auction of goods (Consumer Protection Law No. 8, 1999). In the above provisions, it is clear that the regulations regarding social media auctions must be clear and precise in order to avoid problems that can harm the parties.

Legal Implications of the Use of Social Media in the Auction Process of Goods

The use of social media in the auction process has brought a number of significant legal impacts and can create a legal and dynamic landscape. This has implications including various legal aspects. Which is related to the validity of transactions to the protection of personal data, this of course requires a comprehensive study.

One of the main legal impacts that can occur in the use of social media in auctions is the expansion of the interpretation of contract law and the digital context, in the auction process in social media this presents challenges in the formation and implementation of contracts regulated in the Civil Code. It is explained that a valid agreement requires a lawful agreement, skill, object and *causa* (Civil Code Article 1320).

In the context of social media auctions, deals that are usually realized by a handful of hands or handshakes are currently being replaced by digital forms of interaction or those that can be said to be using likes, clicks or comments. This determines how to prove the statement of the existence of an online auction processor. The legal impact that can be created is sulking in the law on information technology and electronic transactions, in online auctions there are still challenges which in this case must be proven how the online auction can be proven that there is really an agreement and bargaining between the parties and how to prove the existence of an online auction if at any time a dispute occurs (Information Technology Law No. 19, 2016). This must be proven by evidence in accordance with the provisions of the ITE Law.

Other legal impacts can be attributed to jurisdictions and their cross-border characteristics which can create new complexities in determining which laws apply and are authorized when a dispute occurs. For example, in the principles of international law that are usually used to settle the law in cross-border transactions. Another legal impact is also seen in the responsibility of social media platforms in auctions, whether social media platforms can be considered as the organizer of the auction and therefore have certain legal obligations. Or do they only act as intermediaries. These questions arise because there is no relevant law in explaining auctions on social media, so there needs to be a conformity of the applicable rules related to auctions on social media.

It is also seen that there are still many widespread and reachable access in social media auctions and create their own markets, but they can also have problematic impacts if they are not balanced with the legal provisions that should be. In accordance with regulations related to the use of online-based media platforms in the prospect of auction fields (Safitri, 2020). Finally, the legal impact is also seen in the context of taxation, auction transactions through social media also create challenges that can have an impact on monitoring in the tax realm, related to this, how can it be reported related to tax payments that are in accordance and correct with existing transactions. If you look at all the impacts explained, in the use of social media, especially in the auction of online goods, technological innovation and rights are needed to protect the legal interests of the parties involved.

The use of social media in the auction of goods has had a significant influence, especially in the law where it is necessary to pay attention to the affirmation of consumer protection, taxation, and intellectual property. Influence creates new challenges and and

One of the things that must be considered is the issue of consumer protection, in this case the parties involved in auctions on social media need clearer information and protection in their auction goods and rights in transactions, this needs to be considered so as not to harm parties who conduct online auctions on social media. In other cases, for example, in taxation, social media users must look at the characteristics in accordance with Government Regulation No. 80 of 2019 concerning Trade Through Electronic Systems, which seeks to regulate taxation in Ecommerce.

The use of algorithms and artificial intelligence in social media platforms to organize and promote auctions also raises new questions, whether the use is related to trademarks and whether it can be protected as in copyrighted works. All of this shows that social media in its use has changed the law and also affects aspects of consumer protection, taxation and other challenges that have emerged.

CONCLUSION

The discussion reveals that the legal legality of auctioning goods via social media in Indonesia remains in a gray area, lacking specific regulations explicitly governing such mechanisms; while practices may be deemed legal if they adhere to general legal principles, the absence of tailored rules fosters uncertainty in auction procedures, party verification, and consumer protection, posing challenges to legal compliance and rights safeguarding. Furthermore, social media auctions entail complex implications, including expanded interpretations of digital contracts, hurdles in consumer protection against fraud and transparency deficits, tax application complexities in cross-border deals, jurisdictional disputes, personal data safeguards, platform liabilities, and intellectual property concerns—underscoring the urgent need for comprehensive, tech-responsive regulations. For future research, scholars could investigate empirical case studies of social media auction disputes in Indonesia to propose model legislation integrating blockchain for verification and smart contracts for transparency.

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