



Legal Urgence for Registration and Establishment of Legal Fintech Companies Based on Information Technology Authority Regulation Number 77/Pojk.01/2016 Concerning Money-Base Loan Services and Bank Indonesia Regulation Number 19/12/Pbi/2017 Concerning the Implementation of Financial Technology: Legal Fintech Companies

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Abstract: This study aims to discover and analyze how the Financial Services Authority regulations and the Bank Indonesia regulations relate to information technology-based money lending and borrowing activities in the implementation of fintech peer-to-peer lending, particularly for Paylater users who feel disadvantaged by seeing what it looks like and how the explanation of the regulations regulate fintech, so that many consumers continue to feel disadvantaged. In addition, how is the supervision provided by the Financial Services Authority to administrators of peer-to-peer lending activities in accordance with the governing laws and regulations? In this study, we used a normative juridical research type with a statutory approach (the statute approach) and a case approach (the case approach) by conducting a literature study. The results of this study explain that the form of regulation on fintech peer-to-peer lending is regulated in Financial Services Authority Regulation Number 77/POJK.01/2016 concerning information technology-based money lending services and Bank Indonesia Regulation Number 19/12/PBI/2017 concerning the implementation of financial technology, and Government Regulation Number 82 of 2012 concerning the implementation of electronic systems and transactions, with arrangements for organizers to record, a regulatory sandbox, registration, and licensing to the Financial Services Authority. That the cases that occurred, as seen through the existing arrangements, continue to fail to accommodate the cases encountered by consumers. Regarding this action, the supervision provided by the Financial Services Authority is in the form of pre-operational supervision and supervision during operations, but there are obstacles in supervision, namely the absence of the Financial Services Authority's fintech department to resolve all problems from the Financial Services Authority's side, and at the supervision stage, it is not able to adapt to innovation so quickly.

Keywords: Fintech Lending Implementation, Regulation, Supervision by Financial Authority

INTRODUCTION

The increasing pace of technology and information removes limitations in the development of online business opportunities. The formation of companies in a competitive online business environment, causing new companies to emerge or new startups to develop and have market dominance strategies, encourages business actors to innovate in an online business.¹

Along with the development and establishment of fintech companies, it is distinguished by the presence of electronic data recording (big data), electronic transactions, which include payments, investments, borrowing money made by transfer, and marketing trade products online or e-commerce.²

E-commerce itself is a form of utilizing information technology and electronic transactions, as stipulated in Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Information and Electronic Transactions. E-commerce presents a modern business system, namely non-face (not physically presenting business actors) and non-sign (not using an original signature).³

Currently, various types of e-commerce are presenting the Paylater feature by collaborating with fintech for loan applications, such as the GoPay digital wallet, which provides the Paylater feature. Apart from that, there is OVO through the Paylater feature. The same is true of various marketplace or e-commerce companies such as Traveloka, Bukalapak, Akulaku, Shopee, Kredivo, and many other digital platforms that provide Pay Later facilities to their users.⁴

The sophistication of this technology has led various business fields that offer financial services to carry out a merger of financial services and information technology called financial technology, or fintech, by creating new systems that make it easier for consumers to make transactions more effectively and efficiently. Currently, there are 106 fintech companies that are licensed and registered with the Financial Services Authority (OJK) as of October 6, 2021. Several fintech companies that already exist in Indonesia at the moment are, for example, Danamas, Amarta, Smart Credit, Pohondana, DanaRupiah, and Shopee Paylater.⁵

Along with the increasing number of fintech companies that have continued to increase to date, of course this must also be balanced with the presence of clear regulations and supervision of the running of the business. Based on Law Number 21 of 2011, it states that the Financial Services Authority functions to organize an integrated regulatory and supervisory system for all activities in the financial services sector, both in the banking sector, capital markets and the financial services sector contained in article 5 and article 6 states that the Financial Services Authority functions to regulate and supervise:

¹ Chandra Hendriyani, "Business Agility Strategy: Peer-to-Peer Lending of Fintech Startup in the Era of Digital Finance in Indonesia" Review of Integrative Business and Economics Research, Vol. 8, Supplementary Issue 4, P. 239

² Widhi Ariyo Bimo, "Peran Otoritas Jasa Keuangan dalam Mengawasi Pinjaman Berbasis Teknologi Informasi (Fintech Lending)", Jurnal Keuangan dan Perbankan, Vol 7, No 1, April 2019. P. 26.

³ Santonius Tambunan, *Mekanisme dan Keabsahan Transaksi Jual-Beli E-commerce Menurut Kitab Undang-undang Hukum Perdata*, badamai law journal, Vol. 1, 1 April 2016, P. 181

⁴ Bayu Novendra, *Konsep dan Perbandingan Buy Now, Paylater dengan Kredit Perbankan Di Indonesia: Sebuah Keniscayaan di era Digital dan Teknologi*, Jurnal RechtsVinding Media Pembinaan Hukum Nasional, Vol. 9 Nomor 2 Agustus 2020, P. 187

⁵ Accessed On October 25, 2021 on <https://www.ojk.go.id/id/kanal/IKNB/financial> at 20.00 PM.

- a) Financial services activities in the banking sector,
 - b) Financial services activities in the capital market sector and
 - c) For financial service activities in the insurance sector, pension funds, and other financial services institutions
- When referring to these regulations, the Financial Services

Authority is an agency that regulates and supervises the growth and development of fintech. Fintech itself is part of the financial services sector, both the bank financial services industry (IKB) and the non-bank service industry (IKNB), which are also supervised by the Financial Services Authority (OJK).⁶

Change method: in today's digital era, society is more likely to seek convenience in loans and funds at the time of transaction finance. Here is a draft system for changing the conventional system. Draft digitization is transformed. In fact, the public is now tempted to want something like online loans as well as digital transactions, or fintech, because of the facilities provided to consumers.⁷

Regulation and oversight by the Financial Services Authority (OJK) are indeed required to move companies in the field of fintech technology forward. because that is a registered and established fintech company in the shade. The Financial Services Authority (OJK) is concerned with the implementation and administration of fintech that poses a risk to consumers' personal data protection, system finance stability, system payment or transaction stability, and disrupting system finance stability for the fintech company.⁸ The most important aspect of fintech sustainability is regulation and oversight.⁹

In this regard, while businesses already have standard legality for development technology service finance, there is little chance that they will have a direct impact on system payment, system finance stability, economy, or consumer protection. As a result of that goal, an OJK institution exists to regulate and supervise Fintech so that it can reduce risk and provide good and stable growth. It is well known that the Fintech industry in Indonesia is regulated and supervised by the Financial Services Authority (OJK) and Bank Indonesia (BI).¹⁰ Remove from consideration The Financial Services Authority (OJK) is an independent institution tasked with overseeing and regulating the finances of institutions, particularly in fields where potential financial technology raises issues or poses a greater risk than other institutions' finances.¹¹

The Financial Services Authority (OJK) established the unit Duty development of digital economic and financial innovation for supervisees of perpetrator fintech, issuing Regulation Financial Services Authority (OJK) Number 77/POJK.01/2016 concerning the service Borrow Money-based Technology Information (LPMUBTI). The Financial Services Authority imposes regulations on the provision, management, and operation of service lending and money-based technology information. Supervision of this fintech is required to protect consumer-related funds and data security.¹²

⁶ Undang-Undang Nomor 21 Tahun 2011 tentang Otoritas Jasa Keuangan Pasal 5 dan Pasal 6.

⁷ Femmy Silaswaty Faried, "Peran Otoritas Jasa Keuangan dalam Pengaturan dan Pengawasan Jasa Layanan Keuangan Berbasis Teknologi (Financial Technology)", Jurnal Ilmiah Ilmu Hukum, Vol 10, No 1, Maret 2020. P. 19

⁸ Baiq Fitri Arianti dkk, Perlindungan Konsumen Pada Pengguna Fintech, Jurnal Pengabdian Kepada Masyarakat Volume 3 Nomor 1 P. 155

⁹ Ernama, Hendro dkk, Pengawasan Otoritas Jasa Keuangan terhadap Financial Technology (Peraturan Otoritas Jasa Keuangan Nomor 77/POJK.01/2016), Jurnal hukum Diponegoro, Vol.6 No.3, 2017 hlm. 3

¹⁰ Ery Agus Priyono dkk, Efektifitas Pengaturan dan Pengawasan Bisnis Financial Technology (Peer to Peer Lending) di Indonesia, Jurnal Kornelius Benuf et. Al, Vol. 15, No. 2 Desember 2020. hlm. 200

¹¹ Lita Sintia, Peran Otoritas Jasa Keuangan dalam Megawasi dan Mengatur Perkembangan Lembaga Financial Technolgy (Studi Kasus Kantor OJK NTB), Jurnal Ilmiah Fakultas Hukum Universitas Mataram, 2020, hlm. 1

¹² Opcit, hlm 3

According to Article 7 of Regulation Financial Services Authority Number 77/POJK.01/2016 concerning service Borrow Borrow Money based Technology Information (LPMUBTI):

"Organizers must submit registration and licensing information to OJK."

In this regard, explained for the organizer service finance with system Fintech and type Peer to Peer Lending, which is type institution finance. Non-banks must have some kind of legal entity. Before beginning operations, Company Limited and Cooperative must obtain permission from the Financial Services Authority (POJK).¹³ However, there are still existing fintech companies that are licensed and registered with OJK and will violate the law by misusing data and proprietary funds.

Look at consumer losses, explained: legal fintech companies can potentially harm consumers with their data and funds. That's it for many governing regulations regarding fintech maintenance companies; there is no supervising agency or moving company in the field of fintech. Consumers are still experiencing losses.

In relation to the explanation of the impact of the existence of a Fintech company on consumers, there is one matter that will require the attention of the offender's effort in the field of e-commerce: consumer security.

Based on background back that has put forward, some problem could identified as following:

1. Development law *Fintech lending under the auspices of the Financial Services Authority and Bank Indonesia as a financial institution should and could emit regulation in accordance with societal developments and needs because Fintech financing and transactions entirely rely on technology with significant will happen such a change fast and can also easily raise a number of risk losses experienced by consumers, among them occurring risk of failure to pay, arriving risk of misappropriation of funds*
2. If there is a loss to consumers as a result of the misuse of consumer data, fail to pay and create a proper organizer, who could be responsible for answering on rights consumers could fulfill from existing losses to consumers, because the organizer is what becomes the party intermediary in selecting the candidate recipient loan and providing the platform until the party becomes responsible for monitoring. During the current period, the loan There is a connection, a law, or some kind of agreement with Paylater among loan givers, loan recipients, and organizers as bound parties.

In writing about this determined problem, I will say:

1. How does the law relate to the Financial Services Authority's regulations (number 77/POJK.01/2016) and the Bank Indonesia Regulation (number 12/19/PBI/2017) regarding the registration and establishment of legal fintech companies that will need to borrow and transact online or through fintech?
2. How does the law protect the consumer's funds and proprietary data if they encounter risk or loss in online transactions or when borrowing money from the organizer company, Fintech Legal.

RESEARCH METHODS

The method used is study qualitative with the use of study law normative, and the authors also use a number of approaches in writing study law, such as an approach based on legislation or related regulations (the "Statute Approach") and an approach based on a public case (the "Case Approach"). The concept used in research on normative law is what is written

¹³ Peraturan Otoritas Jasa Keuangan Nomor 77/POJK.01/2016 tentang layanan Pinjam Meminjam Uang berbasis Teknologi Informasi

and contained in regulations and legislation, or what is becoming the norm for how men should behave in society.¹⁴ That is, when researching normative law, only use secondary data, which consists of classifieds (primary laws) and materials (secondary or tertiary laws).

Method data collection is accomplished through methodological studies of the literature to obtain both primary and secondary law (regulation legislation, books law, articles, and related journals) with an object study. Classified law collection through procedure inventory and identification of regulation-related legislation, such as Article 28 G of the 1945 Constitution, Regulations Financial Services Authority Number 77/POJK.01/2016 Concerning Service Borrow Borrowing Money Based Technology Information, and Bank Indonesia Regulation Number 19/12/PBI/2017 Concerning Organizing Technology Finances, with discussion and systematization of classified law in accordance with the Literature studies are conducted using the methods of "read, study, record, and create a review classified later in the library."

Following that, we use them as references or bases for research, as well as search through internet media and social media; there is, indeed, a relationship with Fintech Lending Organizer in transacting and performing loans on a peer-to-peer lending system.¹⁵

As a result, the writer employs the following collection method and ingredient law:

1. study related governing regulations about administering fintech lending for proper protection of data and consumer funds The attention of the company in question, as well as the institution as a supervisor, is drawn to the manner in which digital transactions are conducted, as well as to fintech lending online loans.
2. Observe symptoms or cases that occur in society related to the utilization of technology in transacting or utilizing something contained in the application *peer-to-peer lending*, especially for existing fintech lending operators licensed and registered with the Financial Services Authority.

FINDINGS AND DISCUSSION

As specified in Article 2, paragraph 1 of the Financial Services Authority Regulations No.77/POJK.01/2016 Concerning Service Borrowing and Borrowing Money Based Technology Information Organizers who wish to establish a company in the field of fintech lending must already be in the form of a legal entity, such as a limited liability company or cooperative; a foundation or another legal entity is not permitted.

It must also be able to apply character traits such as transparency and accountability as outlined in the books transaction, be obligated to obey applicable regulations, manage activity business in an independent manner, and apply the principle of justice during and after business¹⁶ During the walk, the organizer company must have an existing fintech lending legal entity or cooperative, with responsible answers to product and service needs in accordance with need. We need to use a governance framework as consumers and in the financial process to manage risk, prioritize loss, and protect consumers' confidential data.¹⁷

¹⁴ Soerjono Soekanto & Sri Mamudi, *Peelitan Hukum Normatif : Suatu Tijauan Sigkat*, PT. Jakarta : Raja Grafito Persada, 2003, P. 13

¹⁵ Meifianora, *Penulisan Karya Tulis Ilmiah dengan Studi Literatur*, UPT Balai Pelatihan Penyuluhan Pertaian: Pekanbaru, hlm 2

¹⁶ Imelda Paskah Anita, *Legalitas Perusahaan Berbasis Finansial Technology (Fintech) dan Kaitannya dengan*

Prinsip Perlindungan Konsumen Bank Indonesia, Jural Kertha Negara Vol. 8 No, 7 Tahun 2020, hlm 61

¹⁷ *Penjelasan Pasal 2 ayat 1 Peraturan Otoritas Jasa Keuangan Nomor 13/POJK.02/2018 tentang Inovasi Keuangan Digital di Sektor Jasa Keuangan*

The following is the relationship table law between regulation, the Financial Services Authority, and Bank Indonesia in overseeing the implementation of fintech peer-to-peer lending loans, as follows:

<u>RECORDING</u>
<p>POJK NO. 13/POJK.02/2018</p> <ol style="list-style-type: none">1. Article 4 of this Regulation requires providers to submit a registration application to the Financial Services Authority; however, the registration obligation is exempt for providers who have registered with or obtained a license from the Financial Services Authority.2. The Financial Services Authority will make a record, taking into account the completeness of the documents, based on Article 6 Paragraph 3 of this Regulation.3. The system of registration and applications for registration is carried out electronically through the recording system of the Financial Services Authority.
<u>REGULATORY SANDBOX</u>
<p>PBI NO 19/12/2017</p> <ol style="list-style-type: none">1. For financial technology providers who have been registered with Bank Indonesia, they are permitted to test the Regulatory Sandbox to further ensure that their service, technology, and/or business capital products meet the financial technology criteria.2. Bank Indonesia will apply a time period during the Regulatory Sandbox Trial; when the time period ends, Bank Indonesia will determine the status of the results of the financial technology operator trial in the form of:3. Succeed;4. Not successful;5. Other status is determined by Bank Indonesia.6. If the trial results are declared successful, the financial technology operator is prohibited from marketing the product before first submitting an application for a license in accordance with Bank Indonesia regulations. If the trial results are not successful, the financial technology operator is prohibited from marketing products and/or services using the technology or business capital being tested. However, if the trial results are assigned a different status, then Bank Indonesia will convey the trial status of the financial technology operator to the competent authorities.
<p>POJK NO. 13/POJK.02/2018</p> <ol style="list-style-type: none">1. The Regulatory Sandbox Trial is carried out for a maximum period of one year and can be extended for six months.2. The Regulatory Sandbox results are set as follows:3. Recommended4. Repair5. Not recommended6. If the status is recommended, the Financial Services Authority will provide a recommendation for registration in accordance with the business activities of the organizer; if the status is repaired, the OJK will provide an extension for a maximum of six (six) months from the date of determination. However, if the status is not recommended, it will be removed from the recording as the

organizer.

REGISTRATION

POJK NO. 77/POJK.01/2016

1. For providers of technology-based money lending and borrowing services, it is recommended that they submit an application for registration with the OJK. However, for organizers who have already carried out these activities prior to the promulgation of this regulation, they must submit an application for registration to OJK no later than 6 months after this regulation comes into effect.
2. Applications for registration are submitted by the Head of the Board of Directors, Insurance Supervisors, Pension Funds, Financing Institutions, and other Financial Services Institutions, along with the form as stated in this regulation in Article 8 paragraph 3.
3. The application for registration will be approved within 10 working days from the receipt of the application, and the determination of approval for registration is marked by the receipt of a letter of proof of registration from the OJK.
4. Registered administrators are required to submit periodic reports every 3 months on March 31, June 30, September 30, and December 31, submitted to OJK no later than 10 days after the reporting date is due.
5. Organizers who have been registered are required to submit an application for a license as an organizer with a maximum period of one (1) year from the date of registration with the OJK. However, if the said period has expired and the administrator, who has received a proof of registration, does not submit an application for a permit or does not meet the licensing requirements, Then the certificate of registration as stipulated in Article 5 is declared null and void.
6. For providers whose certificate of registration has been declared null and void, they can no longer submit applications for registration to the OJK and must settle the user's rights and obligations according to the statement letter on the settlement plan. However, administrators who are still registered and declare that they are unable to continue their operational activities are required to submit an application to the OJK with reasons of incapacity and a plan to settle user rights and obligations.

PBI NO 19/12/2017

1. Requiring financial technology operators to register with Bank Indonesia, which is a legal entity. The registration obligation is exempt for payment system service providers who have obtained a license from Bank Indonesia, but for financial technology providers under the authority of other authorities, they are required to register with Bank Indonesia.
2. Registration is submitted via written application to Bank Indonesia on behalf of the representatives of the parties administering the financial technology. The completeness of registration documents is regulated in Article 7 Paragraph 2 of this Regulation.
3. Bank Indonesia requires registered financial technology operators to apply consumer protection principles, maintain confidentiality, apply risk management principles, use rupiah for each transaction, and apply anti-money laundering principles. In addition, Bank Indonesia prohibits organizers from conducting payment system activities using virtual currency.

4. The announcement of registration, as referred to in Article 7 Paragraph (3) of this rule, does not eliminate the obligations of the organizer in accordance with Article 9 Paragraph (1) as the responsibility of the financial technology operators.
<u>PERMISSIONS</u>
PBI Licensing 19/12/2017 <ol style="list-style-type: none">1. Financial technology operators who fall under the category of payment system operators are required to obtain a license from Bank Indonesia.2. For financial technology operators who are included in the category of other payment system service providers, they are required to fulfill the eligibility aspect in order to obtain a license.3. payment system service providers by producing new products, services, technology, and/or business capital in the development of payment system service activities, product development, or payment system service activities. Prior to marketing products and/or services and using technology, approval must first be obtained from Bank Indonesia.
POJK NO. 77/POJK.01/2016: <ol style="list-style-type: none">1. Applications for operating licenses submitted by the Head of the Board of Directors, Insurance Supervisors, Pension Funds, Financing Institutions, and other Financial Services Institutions are accompanied by the use of Form 2 as stated in Article 11 Paragraph 1 of this rule.2. Shareholder data consists of individuals, legal entities, the central government, and local governments; all licensing requirements are regulated in Article 11 paragraph 1, letter c.3. The Financial Services Authority conducts a review by giving approval or rejection of the licensing application no later than 20 working days from receipt of the licensing application documents; if this period is exceeded, the licensing application will automatically take effect.
<u>CONSUMER RESPONSE</u>
<ol style="list-style-type: none">1. Considering that fintech loans, both legal and illegal, still pose a risk of loss, this online loan will not be continued.2. Feeling at ease in transactions to the point where you don't consider the consequences if you forget to pay off or fail to pay, will have an impact on the company's financial inclusion.3. Tend to be careful not to use online loans or fintech, and worry more if there are indications of loan collection.
<u>CONSTRAINT</u>
<ol style="list-style-type: none">1. Disadvantages of consumer data that is easily misused2. Disadvantages of Consumer Funds where they don't feel like making a loan3. Data security systems and consumer funds tend to be easily used by irresponsible parties.4. Misuse of Data and Funds used to apply for loans and retrieve consumer data to be misused
<u>ANALYSIS</u>
Fintech loans have many gaps in the risk of loss, even though there are various regulations related to consumer protection, because the main use of fintech loans, namely technology that continues to develop, causes the scope of consumer data protection to be uncontrollable.

The existence of a "relationship law" between the Financial Services Authority and Bank Indonesia regulations prohibiting the registration and establishment of legal fintech companies is explained. A regulatory sandbox supported by the Technology Office under the supervision of Bank Indonesia (BI), for example, has a payment system alone in an application, whereas two business models are regulated and supervised by different regulators. *Financial technology* in the *peer-to-peer lending* (P2P) model is overseen by the Financial Services Authority (OJK). *payment system becomes the authority for Bank Indonesia (BI).*¹⁸

The use of digital technology in society to meet the need to borrow money in order to conduct digital transactions, one of which is system payment. Current payment plan: present in various e-commerce applications to facilitate public loan online credit or payment of various desired products within credit limit on the e-commerce platform with required installments paid in installments by the user and the system payment *rent digital credit limit is already routine every day*. The development of electronic payments, or "e-payments," has piqued the public's interest, and the system is now used to make digital payments.

In this regard, fintech firms must continue to innovate by launching or developing a new electronic payment system, namely, Paylater, with the goal of increasing efficiency and, of course, profiting both the user and the organizer, with borrowing done through an intermediary other than the bank, namely, applications and digital platforms, from the giver to the recipient. There are several factor supporters who exist and require public interest in using system payments via Paylater, as follows:

1. There are "facilitating conditions" or "facilitators" who are "influential supporters," "positive" to understanding somebody or an individual as trusted and motivated users, and "existing infrastructure in support technology for upgrading service source power as well as height level compatibility" of various types of technology."¹⁹ Paylater is based on previous research by Vivin Eviana and Agung Joni Saputra (2022), which found that Facilitating Conditions have an impact on user interest in system payments. If more people are interested in using organization-based technology to build infrastructure, which is technically possible, they will be more interested in using the system payment service Paylater.²⁰
2. Hedonic motivations, also known as "hedonic motivations," are a method of using a superiority technology feature to make people feel happy at the time. If a user feels helped by the presence of sophistication, superiority, and convenience in a technology's use feature, then satisfaction will appear in the user's self-perception of the helpful technology's performance, making it easy to transact all activities. This also has an impact on the customer's desire to continue using technology.²¹

As a result, the writer could conclude that the existence of Paylater benefits a number of parties, including Paylater, Paylater Platform Provider, and donors or business units. However, it is necessary and well-known that, despite the benefits, facilities, and opportunities provided by Paylater, there is not quite enough of a solution in transacting, borrowing, or using online credit. Because if the general public understood how to use

¹⁸ Kristin Kartini Roomaito, Tinjauan Yuridis Regulatory Sandbox terhadap Mekanisme Teknologi Finansial (*Fintech*) di Indonesia, Jurnal Hukum Vol 09 Nomor 2 Agustus 2020, hlm 121.

¹⁹ Wendy Suhendry, Minat Penggunaan OVO di Kota Pontianak Menggunakan Model Unified Theory Of Acceptance and Use Technology, Jurnal Ekonomi Manajemen Vol. 6 No. 1 Mei 2020 hlm. 10

²⁰ Anton Susanto, Faktor-Faktor yang mempengaruhi perilaku penggunaan internet masyarakat desa pasar kualanamu, deli serdang Sumatera Utara, Jurnal Penelitian Pos dan Informatika, Vol 5 No 1 (2015) hlm. 73

²¹ Risang Bagus, Pengaruh Motivation Terhadap Social Media Produk Browsing dan dampak terhadap Purchase intention pada mahasiswa Universtas Sarjanawiyata Tamansiswa Yogyakarta, Jurnal Manajemen Dewantara, Vol 3, No 2 (2019), hlm. 264

Paylater, users would be saved from the twisted and unique case of debt bondage. Paylater can be used if the user has not yet fully comprehended the consequences of a late payment.

As a result, the user will become entangled with the possibility of Paylater debt and will experience billing debt terror. According to a 2020 report from the Financial Services Authority (OJK), the incidence of success payments in fintech lending decreased by 1.17% year over year.

Because of a variety of factors, even though high-interest users pay later, there is a low level of success pay (TKB90). As a result, existing users are not only unable to pay; they are also in debt, which has an impact on the loan provider.

Enforcement process: law and policy Peer-to-peer lending (P2P) fintech law is sheltered and regulated by the Financial Services Authority (OJK) and Bank Indonesia (BI), and with existing regulation, it is expected to give security for all stakeholders to use fintech lending. As part of their effort to protect fintech transactions, the Financial Services Authority (OJK) and Bank Indonesia (BI) issued regulations, that is, Financial Services Authority Regulation Number 77/POJK.01/2016 concerning service borrowing and borrowing money based on technology information and Bank Indonesia Regulation Number 19/12/PBI/2017 concerning administration technology and financial transactions. Financial Services Authority Regulation Number 77/POJK.01/2016 Regarding Service Borrowing Borrowing Money Based Technology Information. Where are the rules? is the first regulation issued by the Financial Services Authority to protect fintech problems.

Furthermore, the Financial Services Authority has a role to do supervision and protection to interest consumers in protecting their rights, an effort that is frequently ignored by many actors. Furthermore, the Financial Services Authority is rated as not being sufficiently active in providing protection law, which means that problems will continue to arise from many cases of misuse of personal data and burglary of Paylater accounts, which cause disruptions in inclusion finances, as well as from weak protection law.

Despite the fact that a number of regulations and laws pertaining to fintech lending have already been issued, the industry has not been immune to various problems and losses, and there are now numerous emerging cases of related violations of consumer security and privacy rights.

Background back problem, which was evaluated by the author because it has not yet been followed in a way that is conducive to enforcement, should satisfy a number of factors, including factor system law, factor enforcement laws, and factor society. First, consider system law, then consider this. It becomes a very important point because necessary enforcement law is required to take action against the party that does not have a responsible answer, not just breaking into the consumer's account, but using personal data from existing customers on the account.

At the time of publication, the regulations governing fintech lending are the Financial Services Authority Rules Number 77/POJK.01/2016 concerning Service Borrowing and Borrowing Money Based Technology Information. Examine the rules governing law in regulation. Financial Services Authority Number 77/POJK.01/2016; however, many have not qualified and will require consumer assistance, particularly in relation to penalties for violations that occurred in fintech transactions, which are regulated in Article 47.

For violations of the obligations and restrictions outlined in this OJK regulation, OJK may levy an administrative penalty against the organizer in the form of: warning is written; a fine, which is the requirement to pay a specific amount of money; restrictions on activity and effort; and repeal the permission.

Administrative penalties, as defined in paragraph (1) letters b to d, were imposed with or without prior written warnings, as defined in paragraph (1) letter a. Penalty administrative

form fine as referred to in paragraph (1) letter b can be imposed alone or in conjunction with penalty administrative as referred to in paragraph (1) letters c and d.

Provisions in article 1 paragraph (3) of this no mention definite amount of funds that must be imposed for offender and not the arranged related settlement dispute law transaction e-commerce if occur during the loan process fintech , besides that no exists settings that set and yet exists the sanctions provided for in Article 47 are related penalty break-in account consumers by those who do not responsible responsibility and for the billing process carried out by the party third with terrorize borrower via his cell phone for warned pay bill fail pay . For do loan Paylater on name consumers who frequently become not quite enough of an answer consumer for pay loan, in addition to action billing loan. The payer subjected consumers to inconveniences carried out by the organizer's company, Fintech Peer To Peer Lending (P2PL), with the method of terrorizing consumers until they paid off the loan completely. As a result, nothing rated has yet accommodated needy consumers or fulfilled the right consumer.

According to the author, the Financial Services Authority specifically provides many gaps for parties that do not provide responsible answers and weaknesses guarantee confidentiality of proprietary data for consumers who do not comply with the principles of security, comfort, and basic safety for similar consumers contained in Article 2 of Law Number 8 of 1999 concerning Consumer Protection.

Because that is the issue that arises when regulation Financial Services Authority Number 77/POJK.01/2016 concerning service borrowing and borrowing money based technology information does not yet provide legal protection, order, and certainty to meet consumer needs.

As a result, the Financial Services Authority issued Regulation New, namely POJK No. 6/POJK.07/2022, concerning Protection Consumers and Communities in the Financial Services Sector, with the intention of emphasizing the existence of proprietary data protection for consumers and confirming that if there is negligence in the implementation of peer-to-peer lending, the organizer becomes responsible, as listed in Article 8 of POJK No. 6/POJK.07/2022, including:

PUJK is a mandatory responsible answer on loss for emerging consumers caused by errors, omissions, and/or contrary actions with provision regulation sector legislation in service finance performed by the Board of Directors, Board of Commissioners, Employees, and/or third-party workers working for or representing FSI interests. In PUJK, things can prove that there is involvement, fault, negligence, and/or contrary actions with provision regulation, sector legislation, and service finance carried out by consumers. PUJK is not responsible for the loss of emerging consumers. If the consumer and the PUJK agree that there is insufficient information on the loss suffered by the consumer, this can be agreed upon.

Follow up with the Financial Services Authority in the process of proving what is referred to in paragraph (2) is implemented in accordance with the regulations of the Financial Services Authority about maintenance services for consumers.

If paying careful attention to Article 8 paragraph 1 already confirms that if occurring losses are caused by the organizers' negligence outside of POJK regulations, then the organizers are responsible for the answer to the loss, and confirmed back to Article 8 paragraph 3, that form of responsible answer is given in accordance with the consumer's agreement with the organizer.

CONCLUSION

Financial Services Authority Regulation No. 77/POJK.01/2016 on Service Borrowing Borrowing Money Based Technology Information and Bank Indonesia Regulation No. 19/12/PBI/2017 on Administration Technology Financial to Registration and Establishment companies and fintech partnerships The law, as seen in Existing Connection System Service Borrow, Which *regulatory sandbox Fintech* with a *peer-to-peer lending model* has *Paysystem*, and each has a different regulator? There is also fintech with the peer-to-peer lending model supervised by the Financial Services Authority, but for the Payment System to become the authority of Bank Indonesia, against the consumer need for borrow-borrow fintech that hasn't fulfilled system law as poured in Regulation 77/POJK.01/2016, has many gaps that do not accommodate in frequent consumer cases, and against organizer fintech.

Fintech peer-to-peer lending in borrower-based borrowing (fintech) implementation supervision is divided into two stages: pre-operational (before effort is expended) and ongoing (after effort is expended). OJK supervises the pre-operational stage, specifically the change in ownership, for which the organizer must obtain prior approval from the Financial Services Authority. When the organizer of financial technology peer-to-peer lending obtains permission from the Financial Services Authority, new things may be done during the ongoing operational supervision stage. A submission report organizer or self-assessment system is used for supervision, as is an inspection by the Financial Services Authority or an officer supervisory system.

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