



## Urgency of Targeted Advertising Transparency Regulation: A Comparative Study of the EU's Digital Services Act and Indonesian Law

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**Abstract:** This research will discuss the urgency to regulate the transparency obligation of targeted advertising. Being the most popular method of marketing in today's digital era, targeted advertising continuously becomes a target of controversy among consumers. Concern over targeted advertising ranges from the data collection process to how it is targeted towards consumers. This creates uncertainty among consumers due to the opacity of targeted advertising algorithms. Through a normative juridical method, this research will examine the adequacy of Indonesia's regulations in addressing the issue of targeted advertising, ranging from the Consumer Protection Law, EIT Law, PSTE Regulation, and PMSE Regulation compared to the European Union's Digital Services Act. This study will further discuss the urgency to comprehensively regulate the transparency of targeted advertising.

**Keyword:** Algorithm Transparency, Indonesia , Regulation, Targeted Advertising.

### INTRODUCTION

Advertising has been described as the mass media's commercial and impersonal dissemination of information about a company and/or its goods to a specific audience. (Erlita, 2016). Its practices have been to determine the correct target audience to market a product towards by learning consumer behaviors (Calo, 2013). In today's digital market era, advertising practices have been inseparable from personal data flow.

Big Tech companies such as Google and Meta amass large amounts of data by tracking their users across the internet and utilize those data to "pair" businesses and consumers with algorithm automation (Zard & Sears, 2023). This makes business-to-consumer relations increasingly interpersonal, and online advertising became a more attractive option than traditional offline advertising for businesses as it is very precise and relatively inexpensive. In Indonesia alone, it is projected that Indonesia's digital ad spending will grow to 13.8% and account for 75% of total ad spending by 2025, reaching a value of USD 642 million (Campaign, 2024).

While promising for businesses, concerns rose over the consumer protection aspect of digital targeted advertising. Concern over targeted advertising mainly stems from consumer privacy. For example, to obtain consumer data, digital platforms often use methods such as fingerprinting to obtain a user's information that users cannot opt out from. (Liu et al., 2024).

The opacity of this system led to consumers having little to no awareness and understanding of how they are being tracked, especially considering that new technologies are being developed to track behaviors that consumers are not aware of (Fourberg et al., 2021). Perhaps even more polarizing is how those data are processed and then used to be the basis for advertisement targeting. Advertising hosts usually create profiles based on collected data from users.

These profiles generally belong to two categories: Explicit Profiles, which were made based on explicit information given by the user, and Predictive Profiles, which are created by tracking technologies that usually involve non-identifiable data (Wachter, 2020). Most users are not aware that they are being profiled based on their data. According to a survey conducted by the Pew Research Center in 2019, 74% of web users are not aware that platforms such as Facebook keep a list of their traits and interests (Pew Research, 2019). Targeted advertising made based on sensitive inferences (such as a person's sexual orientation, sexual behavior, or reproductive decision) of non-identifiable data has also been a cause for concern amongst users (Schoenebeck et al., 2024).

Aside from privacy concerns, targeted advertising has been under scrutiny due to its inclination towards bias and discrimination. Because targeted advertising mainly uses machine-learning technology to target users, it is inevitably going to adopt biases from its training data (Castelluccia & Le Métayer, 2019; Metaxa, 2021). An experiment conducted in 2015 by a group of researchers using a tool called AdFisher on Google Ads revealed that men are more likely to receive ads for high-paying jobs than women (Datta et al., 2015).

A similar study was conducted in 2019, where it was found that women were disadvantaged from being exposed to ads for STEM jobs on Facebook (Lambrecht & Tucker, 2019). A more interesting case is where the advertiser itself chooses to discriminate against users based on personal data, enabled by the digital platform. In 2019, the USA's Department of Housing and Urban Development filed a lawsuit against Facebook for allowing advertisers to exclude protected classes under the USA's Fair Housing Act (Richardson, 2019).

Politically targeted advertisements perhaps create an even bigger concern as they drive policy-making decisions. This happened in the Facebook-Cambridge Analytica case, where Cambridge Analytica, a political consulting firm, targeted specific demographics that are prone to bias to disseminate political messages relating to the 2016 Brexit Referendum (Egea, 2021). Indonesia is not exempt from this problem. In 2019, Lembaga Studi dan Advokasi Masyarakat (Institute for Policy Research and Advocacy or "ELSAM") analyzed 116 political advertisements across nine provinces and found that those advertisements are targeted based on profiled data of users with the age range of 17 - 22 years old during election season (Mediana, 2019).

In response to this growing concern, the European Union ("EU") devised Regulation 2022/2065 on a Single Market for Digital Services and amending Directive 2000/21/EC (Digital Services Act) ("the DSA"). The DSA, which entered into force in October 2022, aims to regulate liabilities of intermediary services for third-party content, due diligence, and transparency obligations for online platforms (Chiarella, 2023).

The DSA directly prohibits advertising based on profiled data (Article 26(2)) and a special category of personal data (Article 26(3)). It further requires online platforms to display in a user-friendly way information relating to advertisements, including under what basis the user was targeted with a specific advertisement (Article 26(1)). Most notably, the DSA provides additional obligations for Very Large Online Platforms ("VLOP") and Very Large Online

Search Engine (“VLOSE”) to conduct periodic risk assessment of their algorithmic system (Article 34) and to provide a publicly accessible advertisement repository (Article 39).

Currently, Indonesia lacks a specific regulatory framework to address the issues arising out of targeted advertising. Indonesia’s regulatory framework on e-commerces, namely Law No. 8 of 1999 regarding Consumer Protection (“Consumer Protection Law”), Law No. 11 of 2008 on Electronic Information and Transactions (“EIT Law”), Government Regulation No. 71 of 2019 regarding System Operator and Electronic Transactions (“PSTE Regulation”), Government Regulation No. 80 of 2019 regarding Trading through Electronic Systems (“PMSE Regulation”), and Ministry of Trade Regulation No. 31 of 2023 regarding Business Licensing, Advertising, Guidance, and Supervision of Business Actors in Trading through Electronic Systems (“MoT Reg 31/2023”) mainly regulates the contents of advertisements as opposed to how they are targeted. On the other hand, Law No. 27 Year 2022 regarding Personal Data Protection (“PDP Law”), which governs Personal Data Processing, has yet to address transparency specifically for targeted advertising.

This study will examine and compare both Indonesia’s and the EU’s regulatory framework in targeted advertising, bearing in mind the urgency as explained above. Against this backdrop, this study will attempt to answer two questions: (1) Do Indonesia’s regulations adequately cover the transparency of targeted advertising? and (2) How does the EU regulate the transparency of targeted advertising through the DSA? This study will further discuss the urgency for Indonesia to follow the footsteps of the EU in regulating targeted advertising transparency.

## **METHOD**

This study was conducted using a normative juridical method through researching primary and secondary data that involve juridical comparison (*rechtvegeling*) (Soekanto & Mamudji, 1995). As provided by Peter Mahmud Marzuki, this study is conducted to produce argumentation, theory, or a new concept in order to resolve an issue (Marzuki, 2005). Primary data includes legal authoritative sources, which are the Indonesian Consumer Protection Law, EIT Law, PSTE Regulation, PMSE Regulation, the PDP Law, and the EU DSA. Secondary data includes books, academic journal articles, and other literary materials used to supplement primary data (Nugroho et al., 2020)

## **RESULTS AND DISCUSSION**

### **Current Regulatory Framework for Targeted Advertising in Indonesia**

The Indonesian regulatory framework for advertising on online platforms and algorithms is covered under the Indonesian Consumer Protection Law, the EIT Law, the PSTE Regulation, the PMSE Regulation, and the PDP Law. This section will break down each regulation to answer whether the Indonesian regulatory framework has adequately covered targeted advertising.

### **Indonesian Consumer Protection Law**

The principle *caveat emptor* (let the buyer beware) posits that consumers must conduct their due diligence before purchasing any product or services to make an informed decision (Indradewi, 2020). This principle has long shifted in favor of *caveat venditor* (let the seller beware), requiring sellers to provide accurate information about their products to avoid any liabilities (Yuanitasari, 2017). The principle *caveat venditor* is reflected in the Indonesian Consumer Protection Law by providing that consumers as described under the law possess nine basic rights under Article 4, including *inter alia* the right to accurate, understandable, and truthful information regarding the condition and guarantees of products/and services, and the right to be treated accordingly, honestly, and not discriminated against.

Before analysing the aforementioned rights, it is useful to determine what the position is between advertising agencies, such as Google Ads, and users under the Consumer Protection Law framework. The Consumer Protection Law does not use the word “produsen” or “manufacturer” as a counterpart to “consumer”. Instead, it uses a broader term, “Pelaku Usaha” or Business Actor, without describing its relationship with the consumer, under Article 1 number 3 of the Consumer Protection Law.

This is to cover a wider array of business actors, including creditors, manufacturers, distributors, sellers, and even, in a more specific case, media companies that operate in advertising (Indradewi, 2020). On the other hand, “konsumen” or consumer is described under Article 1 number 2 of the Consumer Protection Law as “every person who uses products and/or services available in the community, both for the benefit of themselves, families, other people, and other living things and not for trade.”

According to the explanation for this article, consumer only refers to “end consumers” as oppose to “intermediary consumer.” Meaning the consumer must not utilize products and/or services as a part of production process of another products. Therefore, advertising agencies can be categorized as “Business Actor” and users as “Consumer” under the meaning of the Consumer Protection Law.

The understanding of the right to accurate, understandable, and truthful information has always referred to the advertised products as opposed to the nature of the advertisements themselves. (Indradewi, 2020) This is because of how this right is elaborated further under the Consumer Protection Law. Under Article 9 of the Consumer Protection Law, businesses are prohibited from advertising their products and services under false pretenses.

Furthermore, under Article 17 of the Consumer Protection Law, businesses that operate in advertisements are prohibited from producing advertisements that deceive consumers regarding the details of the products and/or services being advertised. Therefore, this principle might not apply to require advertising agencies to be transparent about their advertising system.

The right to be served accordingly, honestly, and not discriminated against as enshrined under Article 4 Letter (g) was explained under the Consumer Protection law as “The right to be treated or served correctly and honestly and non-discriminatory based on ethnicity, religion, culture, region, education, rich, poor and other social status.”

This might become the basis against targeted advertising based on personal data of the aforementioned parameters. Because targeted advertising is ripe with the risk of algorithm bias (Fourberg et al., 2021), this non-discriminatory provision might safeguard consumers against such risk. However, a violation of this provision does not induce any sanction, administrative or criminal, under the Consumer Protection Law. Instead, consumers are given the option to resolve disputes relating to this provision civilly, in or out of litigation.

### **Indonesian EIT Law**

Article 1 Number (1) of the EIT Law defined Electronic Information as “.. one or a set of electronic data, including but not limited to writings, sounds, images, maps, designs, photographs, electronic data interchange (EDI), electronic mail, telegram, telex, telecopy or the like, letters, signs, numbers, Access Codes, symbols, or perforations that have been processed which have meaning or can be understood by a person capable of understanding them.” Article 1 Number (4) further define Electronic Document as “..any Electronic Information created, transmitted, sent, received, or stored in analog, digital, electromagnetic, optical, or similar form, which can be seen, displayed, and/or heard through a Computer or Electronic System, including but not limited to writings, sounds, images, maps, designs, photographs or the like, letters, signs, numbers, Access Codes, symbols or perforations that have meaning or significance or can be understood by a person capable of understanding them.” Online advertisements undoubtedly fall within the aforementioned definitions.

The EIT Law might also be able to cover advertising algorithms. Scholars argue that Artificial Intelligence (“AI”) fits under the definition of “Electronic Agent” under Article 1 Number (8) of the EIT Law, which is “a device of an Electronic System that is made to perform an action on certain Electronic Information automatically organized by a Person” (Priowirjanto, 2022). Advertising machine learning algorithms as a subset of AI would then be categorized as “Electronic Agent” under the EIT Law. According to the EIT Law, an Electronic Agent is a component of an Electronic System; hence, an Electronic System Provider's (“ESP”) responsibilities apply *mutatis mutandis*.

The EIT Law mainly regulates general electronic transactions and electronic information content and transmission. Unfortunately, applicability towards the transparency of online targeted advertising is limited. Article 9 of the EIT Law does require businesses that offer their products on an Electronic System to provide complete and accurate information regarding the terms, manufacturer, and offered products.

It is unclear whether the term “businesses” includes advertising agencies and whether the term “products” includes its advertisements or advertisement system as it is not defined under the EIT Law. It might be useful to delve into this requirement further under the discussion of PSTE Regulation, as it is the implementing regulation of EIT Law. Furthermore, Article 15 of the EIT Law provides that ESPs must ensure that their Electronic System is operated reliably and safely and are responsible for the proper operation of the Electronic System. However, whether those requirements encompass safeguards against algorithm bias remains unclear.

### **The PSTE Regulation**

As the implementing regulation of EIT Law, the PSTE Regulation provides more comprehensive guidelines for ESPs. It elaborated further with regard to the obligations of Electronic Agents. As explained above, Article 36 paragraph (3) made clear that the obligation for ESPs applies *mutatis mutandis* Electronic Agents. Particularly, it requires transparency from Electronic Agents with regards to an Electronic Transaction. Article 37 requires Electronic Agents to disclose, at minimum, the identity of the Electronic Agent provider, transacted objects, feasibility and security of the Electronic Agent, device usage procedure, contract terms, procedure to reach agreements, privacy and personal data protection guarantees, and phone number of the complaint center.

While this means digital advertisement agencies are required to disclose the aforementioned information, it does not address the specific need for targeted advertising transparency. Namely, the need for users to understand how advertisings are targeted toward them and on whose behalf those advertisements are being displayed (Fourberg et al., 2021).

### **The PMSE Regulation**

The PMSE Regulation has been referred to as the “PP E-Commerce” as it regulates electronic trades/commerce (Thalib & Meinarni, 2019). Online advertisement as a part of electronic commerce is indeed regulated under the PMSE Regulation. The PMSE Regulation refers to online advertisement as “Electronic Advertisement” and is defined under Article 1 Number 13 as “..information for the commercial interest of products and/or Services through Electronic Communications that is published and disseminated to certain parties either on a paid or unpaid basis.”

When applying PMSE Regulation to online platforms and user interaction in digital advertising, it is crucial to define their position under the regulation. Remarkably, the PMSE Regulation separates intermediary services (Penyelenggara Sarana Perantara) from marketplaces (Penyelenggara Perdagangan Melalui Sistem Elektronik or “PPMSE”). Intermediary Service is defined under Article 1 Number 12 of the PMSE Regulation as “... Domestic Business Actors or Foreign Business Actors that provide Electronic Communication facilities other than telecommunication providers that only function as intermediaries in



Electronic Communication between senders and recipients.” Explanation of Article 5 of the PMSE Regulation further elaborates what constitutes as Intermediary Service, which is listed as follows:

- a. providers of information search systems (search engines) or mere-conduit;
- b. providers of information storage space on a permanent basis (hosting); and/or
- c. providers of information storage space on a temporary basis (caching).

PMSE Regulation does not define what constitutes mere-conduit, hosting, or caching services. It might be useful to examine how those terms are defined within a similar regulatory framework. Particularly, “hosting” is defined as “an information society service that consists, amongst potential other activities, of the storage of information provided by a recipient of the service” within the EU E-Commerce Directive, which is adopted under the DSA. This definition not only applies to classic web hosting services such as LeaseWeb but also applies to online platforms such as Google’s Youtube or Meta’s Facebook (van Hoboken et al., 2019). This is further confirmed by several rulings of the European Court of Justice (“CJEU”), including Google France SARL and Google Inc v. Louis Vuitton Malletier SA et al in 2008. While not defined under the PMSE Regulation, it can be concluded regardless that intermediary services under the PMSE Regulation do apply to online platforms in cases of digital advertising as well.

PMSE Regulation regulates online advertising to a limited degree. Under Chapter VIII, the regulation outlined general obligations in advertising digitally and focuses merely on the content of the advertisement as specified under the Consumer Protection Law. As provided in Article 33 of PMSE: “In the event that Electronic Ads are delivered through the means of domestic PPMSE and/or overseas PPMSE, domestic PPMSE and/or overseas PPMSE must comply with the provisions of laws and regulations in the field of broadcasting, protection of privacy and personal data, consumer protection, and not conflict with the principles of fair business competition.” However, the PMSE Regulation does regulate electronic information in general. Article 22 Paragraph (1) of the PMSE Regulation places the liability of illegal content upon the PPMSE and intermediary service.

Article 23 of the PMSE Regulation then elaborated that to mitigate and respond to illegal content, PPMSE is required to “provide means of technological control.” While technological control is not explained further under the PMSE Regulation, it might serve as the basis for an algorithm transparency obligation. It is to be noted that this requirement does not apply to intermediary services.

PMSE Regulation is elaborated further by implementing regulation MoT Reg 31/2023, which outlined the supervisory function of the Directorate General of Consumer Protection and Trade Orderliness (Dirjen PKTN) over online advertisements and administrative sanctions regime should the contents of the online advertisement violate Consumer Protection Law.

### **The PDP Law**

While Personal Data Protection is certainly crucial in regulating targeted digital advertising as personal data is the driving force of the market, targeted advertising requires regulation that goes beyond personal data protection (Zard & Sears, 2023). Even when personal data is collected in a legally compliant manner, regulations must safeguard against unfair commercial practices and undue influence on consumer decisions (Helberger, et al., 2017). In light of this, we must examine the extent of protection offered by the Indonesian PDP Law in targeted advertising, specifically concerning information transparency.

Personal Data Subjects are entitled to information about the nature of data collection, including the identity of the Controller/Processor, the legal basis for processing, the purpose of data collection, and the accountability of the party making the request, according to Article 5 of the Indonesian PDP Law. In turn, Article 21 of the PDP Law provides that a Personal Data

Controller and Processor are required to disclose the aforementioned information before data collecting to enable Personal Data Subjects to provide informed consent to data collection.

With regard to profiling, Article 10 of the PDP Law provides Personal Data Subjects the right to object to profiling based on their personal data. While the PDP Law provides sufficient safeguards for users' autonomy over their data, it has yet to address the issues presented by targeted advertising, namely undue influence on consumers by manipulating cognitive bias and discriminatory targeting, as it requires transparency on why a certain ad is being targeted toward the user (Helberger et al., 2017).

### **Government Regulation regarding Governance of Electronic System Implementation in Child Protection**

On 28 March 2025, the Ministry of Communication and Digital announced the enactment of the Government Regulation regarding Governance of Electronic System Implementation in Child Protection (Peraturan Pemerintah tentang Tata Kelola Penyelenggara Sistem Elektronik dalam Perlindungan Anak or "PP Tunas"). The ministry outlined the main points regulated under PP Tunas, namely (Antara, 2025) :

- a. Digital platforms must ensure that child protection takes precedence over commercialization interests;
- b. Digital platforms are prohibited from profiling children's data;
- c. There is an applicable age limit and supervision from the digital platform system on account creation.
- d. Digital platforms are prohibited from commoditizing children;
- e. Strict sanctions for digital platforms that violate.

As of the writing of this article, the PP Tunas document is unavailable to the public. Based on the Ministry's announcement, this regulation directly prohibits profiling a child's data and the "commodification of children." This prohibition might be a ban on targeted advertising towards children altogether. If this is the case, this regulation addresses one of the key concerns of targeted advertising, being the fact that children are uniquely susceptible to marketing manipulation and often do not understand the persuasive intent of advertisements (Global Action Plan, 2020).

### **Indonesian Advertising Code of Ethics**

The Indonesian Advertising Code of Ethics (Etika Pariwara Indonesia or "EPI") is a set of ethics guidelines developed by the Indonesian Advertising Council (Dewan Periklanan Indonesia or "DPI"), enforceable towards all members of the DPI. It was established in 1981 and was recently amended in 2020 to accommodate digital advertising. (Perdana, 2022).

This recent amendment covers advertisements through online media and does require DPI members to adhere to transparency requirements. (DPI, 2020) These provisions are outlined in point 4.6 of the EPI regarding online media, which are listed as follows:

- a. the media where the advertisement is served is responsible for all advertising materials served through the advertising services used, either its own, or those of other parties through ad networks or ad exchanges
- b. ads served from ad networking mechanisms or ad exchanges must display the identity of the party
- c. all forms of advertising must be approved by the media in which they are aired
- d. ads must match the content of the material on the destination site

Furthermore, it outlined specific obligations for online advertisement through e-mail, namely:

- a. get prior consent from the email owner if advertisers intend to send advertisements
- b. provide the reason why the recipient of the message was sent the advertisement

- c. provide clear and easy instructions on how to opt out of receiving advertising deliveries from the same address and/or party, by presenting an opt-out mechanism that is clearly visible and easily accessible at any time to the user
- d. provide full identity of the ad sender
- e. guarantee of the rights and personal confidentiality of the recipient of the advertising message

Based on the aforementioned, the EPI does provide a rather adequate obligation for DPI members of its advertising disclosure transparency. However, this is insufficient as the EPI merely binds DPI members and is not enforceable by the government. The EPI also does not cover targeted advertising or its algorithms.

### **European Union's Regulatory Framework for Transparency of Online Advertising under the DSA**

The framework for digital commerce initially lies within the EU Directive 2000/31/EC, or the E-Commerce Directive on 2000. While it established fundamental principles for online services, it has yet to address intermediaries' obligations, platform openness, and user safety (Quinelato, 2024). The DSA set the tone for the shift from E-Commerce's "safe harbour" provisions to holding digital platforms liable for user-generated content through ex-ante obligations (Chiarella, 2023).

Furthermore, because the internet is cross-border, Recital 2 of the DSA highlights the necessity of harmonizing regulations.. The DSA's transparency obligations apply to all online platforms, which are defined under Article 3 as "...a hosting service that, at the request of a recipient of the service, stores and disseminates information to the public...". The DSA's required obligations for online platforms include (i) prohibition on dark pattern, (ii) advertisement disclosures, (iii) prohibited targeting, and additional obligations for VLOP and VLOSE, namely (iv) algorithm risk assessment and management obligation on advertising system, and (v) publicly accessible repository for advertisements.

"Dark patterns" are "practices that materially distort or impair... the ability of recipients of the service to make autonomous and informed choices," according to Recital 67 of the DSA. Article 25 of the DSA prohibits dark patterns. Dark patterns include, but are not limited to, giving preference to particular options, asking the user to make decisions again that they have previously made, or making it harder to unsubscribe from a service than it is to subscribe.

In advertising, dark patterns might manifest as disguised ads by making ads look like interface elements (Cara, 2019) or the exploitation of consumers' cognitive biases of fear of missing out (OECD, 2022). Recital 67 of the DSA emphasizes that legitimate practices in compliance with EU Law should not be regarded as dark patterns. Article 26 paragraph (1) of the DSA requires online platforms to disclose a set of information for each advertisement presented to each user in a clear, concise, and unambiguous manner. This comprises a clear statement that the content is an advertising, who is presenting the commercial, and the primary criterion that was used to decide why the user was the target of the advertisement.

Further, Article 26 paragraph (3) of the DSA directly prohibits targeted advertising based on profiling using special categories of data. "Profiling" is defined under Article 4 of the GDPR, which is "any form of automated processing of personal data consisting of the use of personal data to evaluate certain personal aspects relating to a natural person, in particular to analyze or predict aspects concerning that natural person's performance at work, economic situation, health, personal preferences, interests, reliability, behaviour, location or movements."Racial or ethnic origin, political views, religious or philosophical convictions, trade union membership, identifiable biometric data, health, sex life, or sexual orientation are among the special categories of data included in Article 9 of the GDPR. The DSA made no distinction between algorithmically inferred attributes and voluntary disclosure by the user (Zard & Sears, 2023).



Article 28 paragraph (3) of the DSA further prohibits targeted advertisement based on profiling towards minors.

The DSA provides additional obligations for VLOPs and VLOSEs. As provided under Recital 57 of the DSA, VLOPs and VLOSEs have a larger reach and greater impact on society as a whole, therefore requiring additional obligations. Under Article 33 paragraph (1) of the DSA, VLOP and VLOSE designation pertains to online search engines and platforms with an average of 45 million or more monthly users in the EU. In order to ensure algorithmic transparency (Cole et al., 2023), the DSA first outlined a general obligation for risk assessment and management applicable to content moderation, advertising, and recommender systems. Article 34 of the DSA requires VLOPs and VLOSEs to conduct periodic risk assessment to evaluate risk posed by their system by illegal content to fundamental rights, integrity of electoral process, and physical and mental wellbeing of a person.

Article 39 of the DSA outlined additional obligations for online advertising transparency applicable to VLOP and VLOSE, namely “.. to compile and make publicly available in a specific section of their online interface, through a searchable and reliable tool that allows multi criteria queries and through application programming interfaces, a repository containing the information referred to in paragraph 2, for the entire period during which they present an advertisement and until one year after the advertisement was presented for the last time on their online interfaces.” Information including the advertisement's content, the goods and/or services being promoted, the person presenting the ad, the audience it is intended for, and the total number of receivers must all be included in the repository.

### Enforcement Measures and Implementation of the Digital Services Act

The DSA has been effectively enforceable since February 2024. As of February 2025, the EU Commission has designated twenty companies as providers of VLOP and/or VLOSE and initiated enforcement proceedings against five companies on suspicion of violation against DSA provisions (EU Commission, 2025). Companies have also implemented the provisions of the DSA. For example, Google has been tracking advertisements on its platforms since 4 September 2023 to be displayed on its advertisement repository called Ad Transparency Center (Google, 2025). The EU Commission recently filed a proceeding against AliExpress International (Netherlands) B.V. (“AliExpress”) on 14 March 2024 for alleged violation of, inter alia, the obligation to provide an advertisement repository under Article 39 of the DSA. According to Article 74 of the DSA, AliExpress may be fined up to 6% of its total global revenue if the violation is discovered.

### Comparison Between Indonesian Law and EU DSA Regarding Targeted Advertising

Indonesian Laws mainly regulate the contents of advertisements as opposed to how the advertisements are targeted. However, some of the concerns for targeted advertising have been addressed through PP Tunas, while only applicable for targeted advertising towards children. Meanwhile, the EU DSA addressed targeted advertising concerns comprehensively, ranging from ad disclosure requirements to algorithmic transparency. Below is a detailed comparison between Indonesian Law and EU DSA.

**Table 1. Comparison between Indonesian Law and EU DSA regarding targeted advertisements**

Component	Indonesia	EU DSA
Scope of Obligation	Disclosure of Quality and Quantity of Goods and/or Services,, and informed consent for data processing	Advertising Algorithm Disclosure, Risk assessment and mitigation
Ad Disclosure	Unregulated	Required to disclose the information is an ad, the

		advertiser, and targeting parameter
Targeted Advertising Based on Profiling	Prohibited from targeting based on children's data	Prohibited from targeting based on children and profiling on sensitive information
Algorithmic Transparency	Unregulated	Requirement to disclose advertising parameters to users, conduct risk assessment on algorithm system, and independent audit
Child Protection	Prohibition to profile children's persona data	Prohibition to profile children's persona data
Ad Repository Obligation	Unregulated	Required for VLOP and VLOSE
Enforcement	Administrative Sanctions for violations	Periodic report to EU Commission and fine of up to 6% total global revenue for VLOP and VLOSE for violations

While following the footsteps of the EU in the DSA might be ideal, it may prove a challenge for the government of Indonesia. Since targeted advertising involves multiple stakeholders, including “the Big Tech”, the government of Indonesia must initiate multi-stakeholder discussions for a regulation that suits specifically the needs of Indonesian consumers.

Further, the government of Indonesia must possess sufficient political will as a regulation on targeted advertising will inevitably require enforcement against big corporate entities that has engrain itself deep within the society of Indonesia through its online platforms. A regulation on targeted advertising will further require an adequate technological infrastructure in its monitoring and involve experts in order to assess the risk of advertising algorithm.

## CONCLUSION

While being the most popular method of marketing in today's digital era, targeted advertising continuously becomes a target of controversy among consumers. Concern over targeted advertising ranges from the data collection process to how it is targeted towards consumers. Consumers and regulators alike are left in the dark about how the targeted advertising algorithm works, leaving the scheme ripe with the practice of consumer manipulation.

This signals the need for stringent regulation to demistify the practice of targeted advertising and mitigate consumer manipulation by obliging transparency. Companies needs to be held accountable ex ante and ex post implementation of an algorithmic system in order to ensure that no discriminatory practices and minimization of consumer autonomy occur. Currently, Indonesia has yet to adequately cover the practice of targeted advertising transparency, as Indonesia mostly regulates the contents of advertisements as opposed to how the advertisements are targeted.

However, the recently enacted PP Tunas is a step in the right direction when it comes to regulating targeted advertisement through the possibility of banning targeted advertisement towards children. For starters, Indonesia could adopt the ad disclosure requirement under Article 26 of the DSA and prohibit advertising targeted based on sensitive inferences. The Indonesian government should further consider adopting mandatory transparency mechanisms

and independent oversight, particularly for dominant platforms, to ensure algorithmic accountability and prevent discriminatory targeting.”

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