



Legal Protection for MSMEs in Partnership Agreements with Digital-Based Companies

Sarman Sinaga

Universitas Mandiri Bina Prestasi

sarmansinaga17@gmail.com

ABSTRACT: Digital transformation has changed the pattern of business relationships between micro, small, and medium enterprises (MSMEs) and digital platform providers. Digital-based partnership agreements provide opportunities for MSMEs to expand their markets, improve consumer access, and develop business activities. However, these relationships also raise legal issues, particularly related to imbalanced bargaining power, the use of standard clauses, unilateral changes to platform policies, transparency of service fees, account restrictions, and dispute resolution. This study aims to analyze the legal protection framework for MSMEs in partnership agreements with digital-based companies and identify the forms of protection needed to achieve contractual justice. The study uses a normative juridical method with a statutory and conceptual approach. Legal materials are analyzed qualitatively through systematic interpretation of provisions of contract law, MSME protection, electronic commerce, and business competition. The results of the study indicate that legal protection for MSMEs is already well-founded through general provisions of contract law, regulations concerning MSMEs, and electronic commerce regulations. However, this framework does not by itself guarantee contractual balance in addressing MSMEs' dependence on platform policies and management systems. This study concludes that effective protection needs to be achieved through agreement transparency, restrictions on potentially abusive clauses, prior notification of material changes to provisions, mechanisms for appealing account restrictions, and accessible dispute resolution. Strengthening legal literacy and oversight of digital partnership practices is also necessary to ensure that business digitalization is fair and sustainable.

Keywords: MSMEs; legal protection; partnership agreements; electronic contracts; digital platforms.

1. INTRODUCTION

Advances in information and communication technology have fundamentally transformed business activities by enabling transactions through digital applications, e-commerce platforms, and integrated electronic systems. These developments provide micro, small, and medium enterprises (MSMEs) with opportunities to expand their market reach, improve operational efficiency, and access consumers beyond conventional distribution networks. In Indonesia, the development of MSMEs is an important component of national economic growth, making their legal certainty and business sustainability essential concerns in the digital economy (Republic of Indonesia, 2008).

Despite these opportunities, the use of digital platforms may create legal and economic dependencies between MSMEs and platform companies. Access to consumers, payment processing, transaction fees, product requirements, and the continuity of business accounts may be governed by contractual terms established primarily by platform providers. Consequently, partnership agreements can significantly influence the rights, obligations, and commercial

independence of MSMEs. Government Regulation No. 7 of 2021 provides a regulatory framework for facilitating, protecting, and empowering MSMEs, including the development of a more supportive business environment (Republic of Indonesia, 2021a). Nevertheless, the practical effectiveness of such protection requires examination when MSMEs participate in digital partnerships governed by standardized electronic agreements.

One of the principal legal concerns in these relationships is the potential imbalance in the bargaining positions of the parties. Digital partnership agreements may be presented on a take-it-or-leave-it basis, leaving MSMEs with limited opportunities to negotiate contractual provisions. Issues may arise concerning unilateral changes to service fees, delayed payments, account suspension, access to business data, termination of cooperation, and the availability of complaint and dispute-resolution mechanisms. These circumstances raise questions about the extent to which contractual freedom provides meaningful protection when one party has substantially greater control over the terms and conditions of cooperation. Furthermore, the development of digital platforms presents challenges for the enforcement of competition law, particularly where platform practices may affect the position of other business actors in the market (Jusmadi, 2023).

The legal framework governing these relationships consists of several interconnected regulations. Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises establishes the foundation for MSME development and partnership arrangements, while Government Regulation No. 7 of 2021 further regulates the facilitation, protection, and empowerment of MSMEs (Republic of Indonesia, 2008, 2021a). In the context of electronic commerce, Government Regulation No. 80 of 2019 concerning Trade Through Electronic Systems provides a regulatory framework for trading activities conducted electronically (Republic of Indonesia, 2019a). Government Regulation No. 71 of 2019 concerning the Implementation of Electronic Systems and Transactions also forms part of the relevant legal framework for electronic business activities (Republic of Indonesia, 2019b). In addition, Law No. 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition is relevant when digital platform practices raise concerns regarding competition and the conduct of business actors (Republic of Indonesia, 1999a).

From a civil law perspective, the validity of partnership agreements must be assessed in accordance with the requirements for a valid agreement under Article 1320 of the Indonesian Civil

Code (Kitab Undang-Undang Hukum Perdata). Article 1338 further establishes the binding force of legally concluded agreements and requires their implementation in good faith (Republic of Indonesia, 1847). These principles are important for evaluating digital partnership contracts because the use of electronic media does not, by itself, eliminate the legal consequences of an agreement. However, the formal validity of a contract should be distinguished from the substantive fairness of its provisions. An agreement may satisfy the formal requirements of contract law while still raising questions about transparency, proportionality of obligations, unilateral contractual changes, and the availability of remedies for the disadvantaged party.

Previous studies have addressed several aspects of legal protection in digital business transactions. Churniawan and Muis (2025) examined MSME sales agreements conducted through short messages from a civil law perspective, highlighting the relevance of contractual principles in electronically mediated transactions. Similarly, Ilmih and Zulkarnain (2025) discussed the legal aspects of MSME partnership agreements through digital platforms and their relationship with community economic development. These studies provide a basis for understanding the application of contract law to digital business activities. However, further analysis is needed to integrate the regulatory framework for MSME protection with specific contractual issues involving bargaining-power imbalances, transparency of platform policies, unilateral modifications, and effective complaint mechanisms. Research on digital platform competition also indicates the importance of examining the broader market position of platform operators when assessing the legal environment in which MSMEs conduct their business (Jusmadi, 2023).

The research gap addressed in this study concerns the need for an integrated legal analysis of MSME protection in digital partnership agreements. Rather than focusing exclusively on the validity of electronic contracts or the existence of MSME-related regulations, this study examines how civil law principles, MSME protection regulations, electronic commerce regulations, and competition law can be interpreted together to assess the adequacy of contractual protection. This approach is intended to clarify the legal implications of unequal bargaining positions and identify contractual safeguards that may strengthen legal certainty and fairness in digital business relationships.

Accordingly, this study aims to: (1) analyze the legal framework governing the protection of MSMEs in partnership agreements with digital-based companies; (2) identify contractual legal

issues arising from imbalances in the bargaining positions of the parties; and (3) formulate contractual protection measures to strengthen legal certainty, fairness, transparency, and access to remedies in digital partnerships. The findings are expected to contribute to the development of a more integrated understanding of MSME protection in Indonesia's digital economy..

2. RESEARCH METHOD

2.1 Research Design and Legal Research Approach

This study employs a normative juridical research method, also commonly referred to as normative legal or doctrinal legal research. This method is selected because the primary objective of the study is to examine the adequacy, consistency, and applicability of existing legal norms governing the protection of micro, small, and medium enterprises (MSMEs) in partnership agreements with digital-based companies. Rather than investigating the behavior of business actors through fieldwork, this research focuses on the legal rules, principles, doctrines, and conceptual frameworks that determine the rights and obligations of parties entering into digital partnership agreements. Normative legal research is particularly appropriate for examining whether the existing legal framework provides sufficient certainty and protection in contractual relationships characterized by differences in bargaining power, standardized contractual terms, and the increasing dependence of business activities on digital platforms (Negara, 2023).

The selection of this research method is based on the understanding that the legal problems associated with digital business partnerships cannot be assessed solely by considering the formal validity of electronic agreements. Although an agreement may satisfy the requirements for contractual validity, its provisions may still raise questions concerning transparency, fairness, good faith, and the proportional allocation of contractual risks. Accordingly, this study examines both the formal legal requirements governing the formation of agreements and the substantive principles that should guide their interpretation and implementation. This distinction is essential to determining whether the existing legal framework provides meaningful protection for MSMEs when contractual conditions are established primarily by digital platform providers.

The research adopts two principal legal approaches: the statutory approach and the conceptual approach. The statutory approach is used to identify, interpret, and systematically examine the legislation governing contractual relationships, MSME protection, electronic commerce, electronic transactions, personal data protection, and business competition. Through

this approach, the study assesses the relationship between general contract law and sector-specific regulations, including whether the applicable provisions operate consistently when applied to digital partnership arrangements.

The conceptual approach complements the statutory analysis by examining relevant legal principles and doctrines, particularly freedom of contract, good faith, legal certainty, contractual fairness, proportionality, and legal protection. These concepts provide analytical standards for evaluating the implications of standardized agreements and the exercise of contractual authority by digital platform companies. The conceptual approach is also used to formulate normative criteria for assessing transparency obligations, unilateral changes to contractual terms, account restrictions, and the availability of effective dispute resolution mechanisms.

The combination of these approaches enables the study to move beyond a descriptive inventory of legislation. Instead, the analysis establishes a relationship between applicable legal provisions, underlying contractual principles, and the specific legal risks associated with digital partnerships. This integrated approach is intended to identify areas in which the existing legal framework can be interpreted more coherently and where additional safeguards may be required to strengthen the legal position of MSMEs.

2.2 Research Focus, Scope, and Conceptual Framework

The scope of this research is limited to the legal relationship between MSMEs and companies operating digital platforms through which business activities, transactions, marketing, distribution, or other commercial services are facilitated. The term digital-based partnership agreement refers to an agreement governing a commercial relationship between an MSME and a digital platform company, including agreements accepted electronically and contractual terms incorporated into platform registration or service procedures. The precise legal classification of each relationship remains dependent on its substance, contractual provisions, and applicable legislation.

This distinction is important because not every relationship described as a partnership necessarily constitutes the same legal arrangement. A contractual relationship involving an independent seller using an online marketplace may differ from a commercial cooperation agreement, a distribution arrangement, or a relationship involving platform-mediated labor. Consequently, this research does not assume that every digital platform relationship is governed by an identical set of legal rules. Instead, the applicable legal framework must be determined by

examining the parties' respective roles, the substance of their obligations, and the nature of the commercial activities involved.

The conceptual framework of this study is organized around four interrelated dimensions of legal protection. First, contractual validity and transparency concern the formation of agreements, the clarity of contractual terms, the accessibility of information, and the parties' understanding of their respective obligations. Second, substantive contractual fairness concerns the allocation of risks, the use of standard-form provisions, and the exercise of contractual discretion by platform companies. Third, procedural protection concerns notification of material changes, explanations for account restrictions, opportunities to submit objections, and access to review procedures. Fourth, legal remedies and accountability concern the availability of proportionate dispute resolution mechanisms and the legal consequences of contractual violations.

These dimensions are analytically connected. Contractual validity provides the initial basis for determining whether an agreement is legally binding, while transparency and fairness help assess how the agreement operates within the limits established by law. Procedural protection addresses the circumstances in which contractual rights are exercised, particularly when a platform restricts access or changes its terms. Legal remedies, in turn, determine the mechanisms available when a dispute arises. By examining these dimensions together, the study seeks to develop a more comprehensive understanding of legal protection than would be achieved by considering contractual validity in isolation.

2.3 Sources and Classification of Legal Materials

The legal materials used in this research consist of primary, secondary, and tertiary legal materials. Their classification is intended to maintain analytical clarity and ensure that legal conclusions are supported by materials appropriate to their respective functions.

Primary legal materials comprise binding legal instruments relevant to digital partnership agreements. These include the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*), particularly Article 1320 concerning the requirements for a valid agreement and Article 1338 concerning the binding force of agreements and the principle of good faith. These provisions provide the principal framework for examining contractual formation, enforceability, and implementation.

The research also examines Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, as amended by subsequent legislation, together with Government Regulation Number 7 of 2021 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises. These instruments are relevant to understanding the legal and policy framework for MSME protection and empowerment.

Government Regulation Number 80 of 2019 concerning Trading Through Electronic Systems is examined in relation to the organization and legal responsibilities associated with electronic commerce. Law Number 11 of 2008 concerning Electronic Information and Transactions, as amended, most recently through Law Number 1 of 2024, is considered insofar as it relates to electronic transactions and agreements. Law Number 27 of 2022 concerning Personal Data Protection is also examined where the contractual relationship involves the processing of personal data.

Furthermore, Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition, as amended, is considered where contractual practices potentially raise issues involving market power or anticompetitive conduct. Its application is not presumed merely because a digital platform possesses greater bargaining power. Any competition-law assessment must take account of the relevant legal elements and circumstances.

The relevant regulations are examined in their applicable and amended forms. This is particularly important because the regulatory framework governing digital commerce and business activities may evolve over time. Accordingly, the analysis distinguishes between the existence of a legal provision, its scope of application, and the legal consequences that may follow from its application to a particular contractual arrangement.

Secondary legal materials include peer-reviewed journal articles published between 2020 and 2025, relevant scholarly books, and academic publications addressing contract law, digital commerce, MSME development, platform governance, and business competition. These materials are used to identify established scholarly arguments, compare previous findings, and assess the contribution of the present study. Particular attention is given to research examining digital partnership agreements, electronic contracts, contractual imbalance, and the legal protection of smaller business actors.

Tertiary legal materials, including legal dictionaries, legal encyclopedias, and relevant reference materials, are used selectively to clarify terminology and facilitate the interpretation of

concepts encountered in the primary and secondary materials. They serve a supporting function and do not replace binding legal instruments or substantive scholarly analysis.

2.4 Literature Review Strategy and Research Gap Identification

The literature review was designed to identify the principal legal issues already examined in previous studies and to determine the specific contribution that the present research can make. The review focuses on scholarly publications from 2020 to 2025 addressing four related themes: the validity of electronic agreements, legal protection for MSMEs, the contractual relationship between business actors and digital platforms, and the application of good faith and contractual fairness in standardized commercial agreements.

The relevance of this literature is demonstrated by Ilmih and Zulkarnain (2025), who examine legal aspects of MSME partnership agreements through digital platforms. Their study discusses the regulatory framework and practical problems associated with digital partnerships, including restrictions on access and platform policies. This research establishes an important foundation for understanding the legal position of MSMEs within the digital economy. However, the broader question of how contractual fairness can be translated into a systematic set of safeguards concerning material policy changes, account restrictions, and objection procedures warrants further focused normative analysis.

Churniawan and Muis (2025) examine the civil-law implications of MSME sale agreements conducted through short messaging applications. Their study is relevant to the legal validity and implementation of agreements formed through digital communication. Nevertheless, the legal issues arising from individual electronic sales agreements are not identical to those arising from continuing platform partnerships, in which contractual terms may govern repeated transactions, access to commercial services, and the conditions under which an account remains active.

Negara (2023), meanwhile, discusses normative legal research and its methodological foundations in Indonesian legal scholarship. This work provides methodological support for the use of doctrinal analysis in examining the relationship between legal norms, principles, and legal reasoning. It also reinforces the importance of defining the scope and limits of normative legal conclusions.

Based on these strands of literature, the research gap in the present study is not the complete absence of previous research on digital partnership agreements. Rather, it concerns the need for a

more integrated normative framework that connects the general principles of contract law with the practical contractual safeguards required in MSME–platform relationships. In particular, the study concentrates on the relationship between contractual transparency, the proportional exercise of platform authority, procedural safeguards against account restrictions, and access to dispute resolution.

This research therefore seeks to contribute a structured legal analysis of the conditions under which digital partnership agreements can provide greater certainty and fairness for MSMEs. It examines whether existing legal provisions can adequately address the identified issues, how different legal regimes interact, and which contractual safeguards can be justified by established legal principles. The resulting contribution is primarily doctrinal and prescriptive: it aims to clarify applicable legal standards and formulate recommendations for improving contractual protection rather than claiming to measure the actual frequency or effectiveness of platform practices.

The literature review is analytical rather than statistical. It does not assume that the selected publications represent every relevant study published during the 2020–2025 period. A final manuscript should therefore ensure that the cited literature is verified against the complete texts and that its claims concerning previous research are supported by a sufficiently comprehensive and current review.

2.5 Legal Material Collection and Qualitative Analysis

Legal materials were collected through library research and documentary review. The collection process involved identifying relevant legislation, locating scholarly publications, examining the substantive content of the selected materials, and organizing them according to their relationship with the research questions. The materials were then classified into categories addressing contractual validity, the protection and empowerment of MSMEs, electronic commerce, platform governance, personal data, business competition, and dispute resolution.

The analysis was conducted qualitatively through systematic legal interpretation and normative argumentation. The first stage involved identifying the legal rules applicable to digital partnership agreements and determining their respective scope. The second stage examined the relationship between general contract-law principles and the more specific provisions governing MSMEs and electronic commerce. The third stage assessed the identified contractual issues against the principles of legal certainty, good faith, transparency, and contractual fairness. The fourth stage

synthesized the findings to determine the extent to which the existing legal framework addresses the principal risks identified in the study.

Systematic interpretation was used to read relevant provisions in conjunction with other applicable legal rules rather than treating individual articles as isolated requirements. Conceptual interpretation was employed to clarify the meaning and legal implications of principles such as good faith and contractual fairness. Where necessary, the analysis distinguished between binding legal obligations, interpretations supported by legal doctrine, and normative recommendations proposed by the author.

The analysis also maintained a distinction between contractual imbalance and an established legal violation. A difference in bargaining power, the use of standard-form agreements, or the existence of unilateral contractual powers does not automatically render an agreement invalid or constitute a breach of competition law. The legal consequences depend on the relevant provisions, the content and implementation of the agreement, and the circumstances of the case. This distinction is necessary to ensure that the research does not extend legal conclusions beyond what the applicable rules support.

Finally, the results of the analysis were synthesized into recommendations concerning transparent contractual drafting, notification of material changes, review procedures for account restrictions, clear information regarding service fees and payment arrangements, appropriate data-handling provisions, and accessible dispute resolution. These recommendations represent normative proposals derived from the legal analysis and should not be interpreted as findings empirically validated across all digital platforms.

This study does not employ interviews, questionnaires, experiments, or statistical measurements. Its findings therefore concern the interpretation and adequacy of the applicable legal framework, not the observed behavior of platform companies or the reported experiences of MSMEs. Empirical research would be necessary to determine how frequently particular contractual practices occur, how effectively complaint mechanisms operate, and how MSMEs experience the implementation of these legal protections in practice. By explicitly defining this limitation, the study maintains methodological consistency between its research design, evidence base, analysis, and conclusions.

3. RESULTS AND DISCUSSION

3.1 Legal Framework for MSME Protection in Digital Partnership Agreements

Legal protection for MSMEs in digital partnerships is inextricably linked to the relationship between contract law, MSME regulations, e-commerce regulations, and competition law. Each legal area has a distinct but complementary function in defining the rights and obligations of the parties.

First, the Civil Code provides the basis for the formation and enforcement of agreements. Article 1320 stipulates four requirements for a valid agreement: agreement, capacity, a specific matter, and a just cause. In the digital context, agreement to terms and conditions through electronic mechanisms must be assessed based on the circumstances of the contract's formation, the clarity of the information, and the fulfillment of relevant legal requirements.

Article 1338 of the Civil Code stipulates that a legally entered into agreement is valid as law for the parties making it. This provision must be read in conjunction with the obligation to execute the agreement in good faith. Therefore, freedom of contract is not unlimited authority. The exercise of contractual rights must still comply with the content of the agreement, mandatory legal provisions, and the principle of good faith.

Second, Law Number 20 of 2008 and its amendments, and Government Regulation Number 7 of 2021, provide a policy framework for the protection and empowerment of MSMEs. This framework is crucial because MSMEs are not only parties to private transactions but also economic actors requiring support to thrive in a competitive business environment.

However, the existence of an MSME empowerment policy does not automatically invalidate every clause in a digital partnership agreement if it is deemed detrimental to MSMEs. Assessing clauses still requires a legal basis, contractual interpretation, and an examination of the specific circumstances. Effective protection requires linking empowerment policies with the consistent application of contract law.

Third, Government Regulation No. 80 of 2019 concerning Trade Through Electronic Systems provides a legal framework for trading activities through electronic systems. This

regulation is relevant in assessing the obligations and responsibilities of parties involved in the digital trade ecosystem. In the relationship between MSMEs and platforms, it is necessary to examine the respective positions of each party, the platform's function, the type of transaction, and the provisions applicable to the business model used.

Fourth, competition law plays a role when partnership issues involve more than just individual contract implementation but also potentially the use of market power. Law No. 5 of 1999 and its amendments can serve as a basis for analysis if there are indications of practices that meet the elements of a competition violation. However, not every policy change or imbalance in bargaining power automatically constitutes a violation of competition law. The elements and context of the conduct must be examined based on applicable provisions.

Based on this framework, it is understandable that the protection of MSMEs in digital partnerships already has a legal basis across several areas. The main challenge lies in applying these provisions to the nature of digital relationships, which are characterized by the use of electronic contracts, system-based transaction management, and the possibility of rapid changes to service provisions.

3.2 Imbalance of Bargaining Position and Use of Standard Clauses

One of the main issues in digital partnerships is the imbalanced bargaining power between MSMEs and platform providers. Platform companies typically prepare widely used agreement formats and terms of service, while MSMEs often only have the option to accept or opt out of these services.

The use of standard contracts is not inherently prohibited. They can improve efficiency, administrative consistency, and procedural certainty. Legal issues arise when such contracts produce non-transparent provisions, improperly transfer risk, or grant unequal authority to one party.

For example, the agreement may include provisions regarding commission changes, promotional fee adjustments, payment withholding, account restrictions, and service termination. These provisions should be clearly formulated, including the rationale for their implementation, notification procedures, and legal consequences. If a company's authority is too broad and lacks adequate oversight or objection mechanisms, MSMEs can potentially face uncertainty in operating their businesses.

From a contract law perspective, this issue needs to be analyzed through the principles of freedom of contract, consensualism, legal certainty, and good faith. The willingness of MSMEs to press the "agree" button does not always address all issues regarding the quality of the agreement, especially when information regarding the contract's consequences is presented unclearly or is difficult to understand.

However, economic imbalance does not in itself invalidate a contract. A legal assessment must consider the content of the clause, the manner in which consent was given, information obligations, relevant legal provisions, and evidence regarding the performance of the agreement.

Therefore, contractual protections should be aimed at increasing transparency and fairness, not eliminating standard contract forms altogether. Platform companies need to present easily understandable terms, detail costs, and explain the consequences of breaching obligations. Meanwhile, MSMEs need adequate opportunity to understand the terms before agreeing to a partnership.

Purcahyono's (2025) study on MSME protection in digital business contracts also highlights the importance of contractual fairness when small businesses engage with companies with stronger economic standing. In this context, contractual equity should be understood as the ability of the parties to know, understand, and exercise their rights and obligations fairly and in accordance with the law.

3.3 Unilateral Policy Changes, Account Restrictions, and Legal Certainty

Digital platform companies can implement policy updates to adjust service systems, security, costs, or operational procedures. However, such changes can pose legal risks if they materially impact the rights and obligations of MSMEs without adequate notice.

Changes in service fees, for example, can impact sales price calculations and business margins. Similarly, changes to promotional terms or order distribution can impact an MSME's ability to meet sales targets. If changes are implemented without sufficient explanation, MSMEs may have difficulty assessing whether the partnership remains economically viable.

In contract law, the authority to amend provisions must be assessed based on the content of the contract, the agreement of the parties, and the principle of good faith. Clauses granting the authority to amend should not be interpreted as absolute freedom to ignore the rights of the other

party. For material changes, clear notice and the opportunity to adjust business activities are steps that can increase legal certainty.

Another issue is account restrictions or suspensions. Restrictions may be necessary if there are suspicions of product standards violations, fraud, or security risks. However, such actions can be detrimental to MSMEs if taken without clear justification, adequate notification, or a review mechanism.

Therefore, account restriction mechanisms should include at least three elements. First, the basis for the action must be specifically explained, provided it does not conflict with legitimate security interests. Second, MSMEs must have access to channels to file complaints and submit relevant evidence. Third, review procedures must be in place that are proportionate to the nature of the violation and its consequences.

These recommendations represent a contractual governance proposal derived from the principles of legal certainty, good faith, and protection of the parties' rights. This recommendation does not imply that all account restrictions without notice are automatically unlawful; the assessment remains dependent on the contract, the reason for the action, the exigent circumstances, and applicable regulations.

Thus, platform companies need to develop transparent and traceable procedures, while MSMEs need to retain copies of contracts, policy change records, transaction records, and dispute-related communications. This documentation can help demonstrate the parties' rights and obligations in the event of a dispute.

3.4 Data Protection, Business Information, and Cost Transparency

Digital partnerships also involve data processing, which can include business owner identities, payment information, transaction history, consumer data, and sales information. This data has economic value because it can be used to evaluate marketing strategies and business development.

Law Number 27 of 2022 concerning Personal Data Protection is relevant when processing activities involve personal data. Its application must be distinguished from the protection of all business information. Sales data or commercial strategies do not automatically constitute personal

data; their protection may also depend on contracts, confidentiality provisions, and other relevant legal regimes.

In partnership agreements, data usage provisions should outline the purposes of processing, division of responsibilities, access to information, retention periods, if applicable, and incident handling in accordance with applicable law. This transparency helps parties understand how information is used and the limits of their respective authorities.

Beyond data issues, the cost structure is a crucial element in determining the feasibility of a partnership. MSMEs need to understand the cost components charged, the basis for calculating commissions, additional promotional costs, transaction discounts, and the timing of fund disbursements. Unclear information can lead to errors in determining selling prices and estimating profits.

Cost transparency does not require companies to disclose all their trade secrets or internal algorithms. A more relevant obligation is to provide sufficient information regarding costs and contractual consequences that directly affect MSMEs. This way, transparency can be implemented without compromising legitimate business interests.

From a legal protection perspective, information disclosure is a dispute prevention measure. When costs and data usage are clearly defined, parties have a better basis for assessing contractual compliance and identifying violations.

3.5 Dispute Resolution Mechanisms in Digital Partnerships

Disputes between MSMEs and platform companies can arise from late payments, differences in commission calculations, account restrictions, data usage, product rights violations, or partnership terminations. Dispute resolution must consider the nature of digital transactions and the MSME's capacity to access legal services.

An internal complaint mechanism can be the initial step in resolving the issue. To be effective, such a mechanism must have a simple filing procedure, proof of receipt of the report, a reasonable timeframe for handling the complaint, and an explanation of the decision. Without a clear procedure, complaints can become a mere formality that fails to provide adequate redress.

If internal resolution fails to produce an agreement, the parties may use dispute resolution mechanisms permitted by law and appropriate to the nature of their relationship. These options

may include negotiation, mediation, arbitration if there is a valid basis for the agreement, or settlement through a competent court.

Dispute resolution clauses should be drafted with accessibility and cost proportionality in mind. Overly complex or expensive requirements can discourage MSMEs from filing claims, even if they have a legal basis. Therefore, clarity about the forum, procedures, applicable law, and cost allocation are crucial elements of the agreement.

Furthermore, legal protection doesn't just depend on resolving disputes after they arise. Preventive measures such as reviewing contracts, documenting transactions, and explaining policy changes can reduce the potential for disputes.

It should also be emphasized that not all digital partnership disputes are consumer disputes. When MSMEs act as business actors using platform services for commercial purposes, the application of the Consumer Protection Law cannot be automatically assumed. The status of the parties and the nature of the transaction must first be analyzed to determine the appropriate legal regime.

3.6 Model for Strengthening Legal Protection for MSMEs

Based on an analysis of contract law and regulations related to digital business activities, strengthening the protection of MSMEs needs to be carried out through contractual and institutional measures and increasing the capacity of business actors.

First, partnership agreements must meet transparency standards. Platform companies should systematically explain fees, commissions, rights and obligations, data usage, sanctions, policy changes, and termination procedures. A summary of key provisions can help MSMEs understand the contractual risks before consenting.

Second, material changes to partnership terms should be accompanied by prior notice, an explanation of the impact of the change, and a reasonable opportunity for MSMEs to adjust their business activities. If the changes require new approvals under the contract or legal provisions, those approval mechanisms must be implemented appropriately.

Third, platform companies need to provide accessible complaint procedures for payment withholding, access reductions, account restrictions, or partnership terminations. These procedures

should distinguish emergency measures to prevent serious risks from routine measures that allow for prior notification and review.

Fourth, government oversight needs to be directed at coordinating the implementation of regulations on MSMEs, e-commerce, contracts, data protection, and business competition, within the respective jurisdictions of each institution. Such coordination can help reduce gaps in legal implementation, without assuming that all digital platform issues must be resolved through a single law.

Fifth, improving legal literacy for MSMEs needs to be part of empowerment policies. Materials provided could include how to review electronic contracts, understand fee clauses, archive transaction evidence, recognize data usage risks, and file complaints in the event of a dispute.

To clarify the relationship between the issues and the proposed protection measures, the analytical framework of this research is summarized as follows.

Table 1. Legal issues and proposals for strengthening MSME protection

Problem	Risks for MSMEs	Proposed form of protection
Unclear standard clause	Difficulty understanding rights and obligations	Clear contract language and a summary of key provisions
Changes in fees or policies	Uncertainty in profit calculation	Notice and explanation of material changes
Account restrictions or closure	Disruption of sales and market access	Reasons for action, objection mechanism and review
Unclear costs and payments	Income calculation error	Details of fees, commissions, deductions and payment schedules
Non-transparent data management	Risk of misuse of information	Clarity of processing purposes and legal responsibilities
Difficult to access dispute resolution	Costs and turnaround times increase	Effective internal complaints and proportionate dispute resolution options

Source: Author's analysis based on the Civil Code, Government Regulation Number 7 of 2021, Government Regulation Number 80 of 2019, and the legal literature reviewed.

This table represents the author's normative synthesis, not the results of a survey or empirical measurement. Its purpose is to demonstrate the relationship between types of contractual risks and the forms of protection that can be designed to address them.

Overall, the analysis shows that strengthening legal protection for MSMEs does not have to begin with the assumption that all digital partnership agreements are unfair. A more appropriate focus is identifying clauses and practices that have the potential to reduce legal certainty and then examining their compliance with applicable agreements and legal provisions.

Effective protection policies need to maintain the efficiency of digital trade while ensuring that MSMEs have access to information, complaint procedures, and dispute resolution. With this approach, digital partnerships can be developed into more transparent, accountable, and sustainable business relationships.

4. CONCLUSION

This study concludes that legal protection for MSMEs in partnership agreements with digital-based companies has a normative basis through contract law, regulations concerning MSMEs, regulations on electronic commerce, and other relevant provisions related to the disputed object. Articles 1320 and 1338 of the Civil Code provide the basis for assessing the validity and enforcement of contracts, while Government Regulation No. 7 of 2021 and Government Regulation No. 80 of 2019 are essential components of the framework for protecting and implementing digital business activities.

However, the existence of these regulations does not in itself guarantee balance in every partnership. The use of standard clauses, unclear fee structures, material policy changes, account restrictions, and limited objection mechanisms are issues that need to be assessed based on the content of the contract and applicable legal provisions. Therefore, imbalances in bargaining power need to be addressed through the application of the principles of good faith, transparency, legal certainty, and accessible redress mechanisms.

Strengthening MSME protection needs to be focused on five key steps: transparent agreement drafting, notification of material changes, procedures for objections and review of platform decisions, clarity on fees and data management, and proportionate dispute resolution. These steps need to be supported by increased MSME legal literacy and coordinated oversight within the authority of relevant institutions.

Thus, the answer to this research problem is that effective legal protection is not simply achieved through recognizing the validity of electronic contracts, but must also encompass

information transparency, good faith contract implementation, and the availability of corrective mechanisms when the rights of one of the parties are violated. This conclusion is the result of a normative analysis and is not intended to empirically state the level of effectiveness of protection in practice. Further research through interviews or case studies could be conducted to test the application of these mechanisms to different types of platforms and MSME sectors.

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