

No. ISSN : 2339-1650

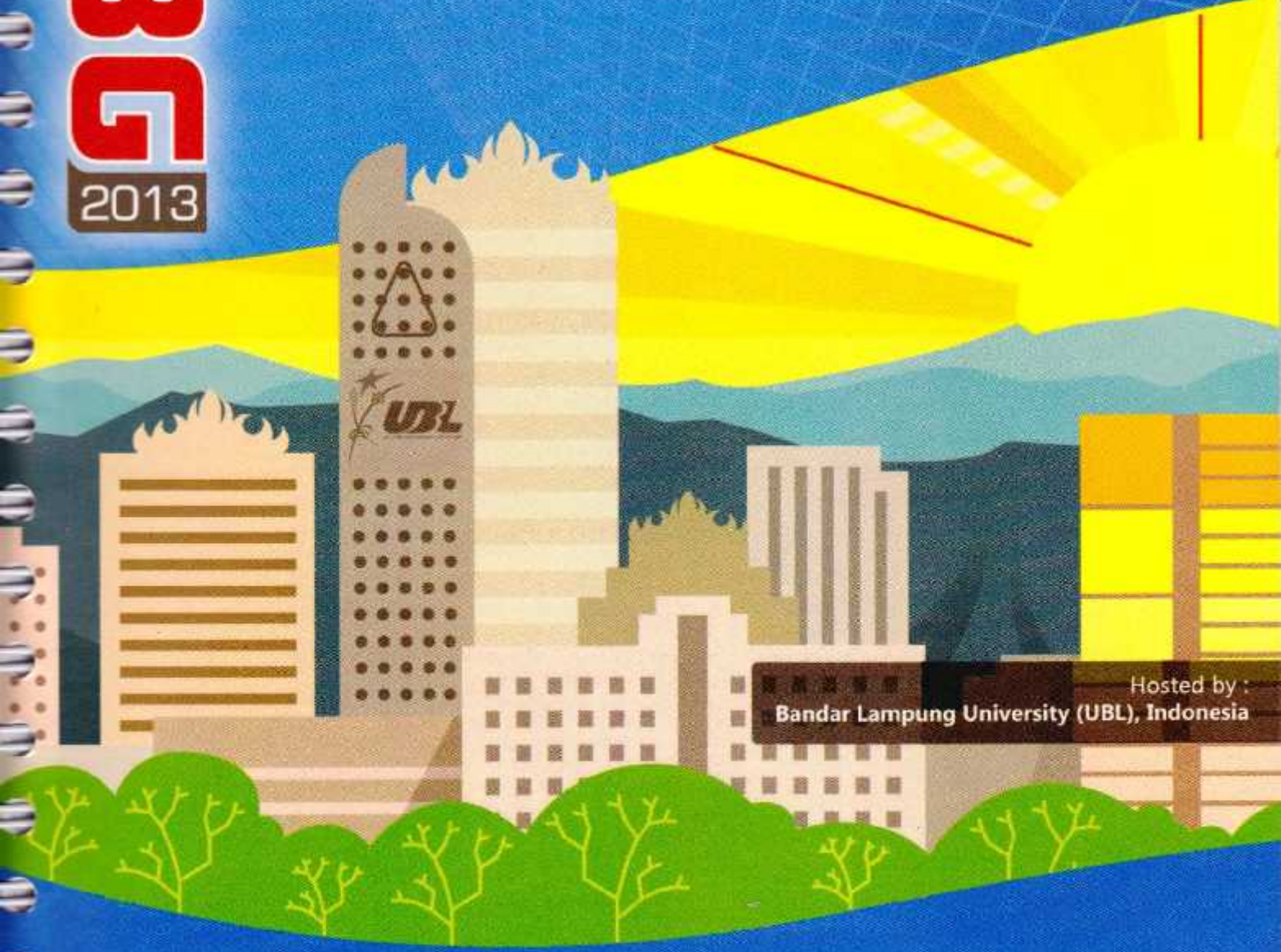


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THE FIRST
INTERNATIONAL CONFERENCE ON
**LAW, BUSINESS
& GOVERNANCE**

23-24
OCTOBER 2013
BANDAR LAMPUNG
UNIVERSITY (UBL),
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ICON-UBG
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THE FIRST INTERNATIONAL CONFERENCE
ON LAW, BUSINESS AND GOVERNANCE 2013

22, 23, 24 October 2013
Bandar Lampung University (UBL)
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PREFACE

The Activities of the International Conference are in line and very appropriate with the vision and mission of Bandar Lampung University (UBL) to promote training and education as well as research in these areas.

On behalf of the First International Conference on Law, Business and Governance (Icon-LBG 2013) organizing committee, we are very pleased with the very good response especially from the keynote speaker and from the participants. It is noteworthy to point out that about 67 technical papers were received for this conference.

The participants of the conference come from many well known universities, among others : International Islamic University Malaysia, Utrech University, Maastricht University, Unika ATMA JAYA, Universitas Sebelas Maret, Universitas Negeri Surabaya, Universitas Jambi (UNJA), Diponegoro University, Semarang, Universitas 17 Agustus 1945 Jakarta, Universitas Bandar Lampung, Universitas Andalas Padang, University of Dian Nuswantoro, Semarang, Universitas Terbuka, Universitas Airlangga, Bangka Belitung University, President University, Tujuh Belas Agustus University Jakarta, International Business Management Ciputra University, Surabaya, University of Indonesia, Business School Pelita Harapan University, STIE EKUITAS, Bandung, STAN Indonesia Mandiri School of Economics Bandung, Lampung University.

I would like to express my deepest gratitude to the International Advisory Board members, sponsor and also to all keynote speakers and all participants. I am also gratefull to all organizing committee and all of the reviewers who contribute to the high standard of the conference. Also I would like to express my deepest gratitude to the Rector of Bandar Lampung University (UBL) who give us endless support to these activities, so that the conference can be administrated on time

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Table Of Content

Preface.....	ii
International Advisory Board	iii
Steering Committee	iv
Organizing Committee.....	vi
Table of Content	ix

Keynote Speakers :

1. Leadership Style, Climate, Commitment and Corporate Performance – Andreas Budihardjo	I-1
2. The Great Paradox of Good Governance in Indonesia - Andrik Purwasito	I-8
3. Local Autonomy and Inter-Sector Performance-Based-Governance in Lampung Province – Ari Darmastuti	I-15
4. Urgency of Regulatory Priorities Watershed in Order To Conduct an Integrated Watershed Administrative Law In Indonesia – I Gusti Ayu Ketut Rachmi Handayani.....	I-22
5. The Strategic Development Model of Organizational Dynamic Capabilities at Private Higher Education Institutions Using Soft System Methodology – M Yusuf S Barusman.....	I-29
6. Governance, Business and The Environment - Maliah Sulaiman	I-39
7. Good Governance and The Rule Of Law - Nik Ahmad Kamal Nik Mahmod	I-45
8. The Legal Protection of Geographical Indications in Indonesia Towards The Asean Economic Community - Wahyu Sasongko.....	I-56
9. Bank Indonesia Law Relations With The Financial Services Authority (FSA) in Indonesian Banking Supervision - Zulfi Diane Zaini	I-63
10. Application of Factor Analysis to Public Sector Integrity in Indonesia - Warsono, Armen Yasir, Dian Kurniasari, Widiarti, Ridwan Saifuddin	I-69
11. Strengthening Creative Economic Resources Through Designing Appropriate Regulatory Model in Managing and Optimising Cultural Property- Hayyan ul Haq.....	I-76

Invited Speaker

12. The Direction Of Future Management Accounting Research In The Asia Pacific Region - Grahita Chandrarin	I-77
---	------

Paper Presenter :

Law :

1. Indonesian Marriage Legal System Construction In Order to Protect Children From Marriage Law That is Not Recorded - Amnawaty	II-1
2. Urgently of Harmonization of National Legislation on Juvenile Criminal Justice Towards International Standards: A Review of Rules of Deprivation of Liberty of Child Offender - Antonius Ps Wibowo.....	II-14

3. The Urgency of Total Economic Value Aspect in Food Security Regulation In Order to Engage Asia's Trade Area (Indonesia Case Study) - Anugrah Adiastruti	II-25
4. Strike as The Last Resort In Dispute Settlement Between Workers and Employers - Arinto Nugroho	II-30
5. Politics of Land Law For Indonesian Farmers (Towards the Bill of Land in Indonesia) - Elita Rahmi	II-35
6. State Role In Building People's Economy Amid Economic Globalization - Elly Nurlaili	II-40
7. Legal Protection of Traditional Crafts Tapis Lampung Based Local Wisdom in The Era of Globalization- Erlina B	II-45
8. Perda Progressive : an Alternative To Fulfillment of Poor People Rights of Health in Local Autonomy - H.S. Tisnanta, Agus Triono	II-52
9. The Comparison Between Indonesian Constitutional Court and Russian Constitutional Court - Lintje Anna Marpaung.....	II-58
10. The Politics of Islamic Criminal Law in Indonesia (A Critical Analysis) - Mohamad Rapik.....	II-67
11. Learning Environmental Rights, Finding Green Future: The Road to Ecojustice - Muhammad Akib, Fathoni	II-73
12. The CSR of Tobacco Industries: The Concept And Its Implementation – Nanik Trihastuti	II-80
13. The Comparison Of The Indonesian Ppatk Role With Other Countries Financial Intelligence Unit (FIU) - Nikmah Rosidah	II-86
14. Benefits Of Ratification Of The Madrid Protocol (Protocol Relating To The Madrid Agreement Concerning The International Registration Of Marks) For The Protection Of Intellectual Property Rights In Indonesia - Risti Dwi Ramasari.....	II-92
15. Equitable Law of Democracy Political Policy Against The Election of Incumbent - S. Endang Prasetyawati	II-99
16. Narcotics Crime as A Phenomenon of Transnational Organized Crime - Zainab Ompu Jainah	II-110
17. Safety Net of The Financial System in The Perspective of Indonesian Banking Law - Zulfi Diane Zaini	II-115
18. National Land Law Reform in Facing Globalization - Darwin Ginting	II-122
19. Land Dispute Settlements Insocial Philosophy Perspectives (A Case Study in PTPN VII of Bergen Unit Business in South Lampung Regency) - Herlina Ratna S.N.	II-130
20. Analysis of Regional Expansion as Implications of Regional Autonomy Implementation - Indah Satria	II-137
21. Normative Judicial Analysis of Dissolution of Political Parties Towards Democratic System in Indonesia - Rifandy Ritonga	II-141
22. Limitations Of Legal Ability In Dispute Resolution Of Consumer Protection - Tami Rusli.....	II-147

Business

1. Accountability And Financial Performance of Local Government in Indonesia – Aminah, Lindrianasari	III-1
--	-------

2. Competitive Advantage; The Affecting Factors and Its Impact on Selling-In Performance (Studies on Patronage Outlets PT. Indosat Semarang) - Ana Kadarningsih	III-7
3. Bankruptcy Analysis of Banking Companies in Indonesia Period 2001-2012 (Using the Altman Z-Score Model)- Andi Sanjaya, Lindrianasari, Aminah.....	III-20
4. The Influence of Audit Committee Quality and Internal Auditor Objectivity Toward The Prevention of Fraudulent Financial Reporting(A Survey in BUMN of Indonesia) - Angrita Denziana	III-26
5. Performance Measurement of Management Study-Program Based on Balanced Scorecard from Students' Perception – Ardansyah, Ayu Ichda Mardatila.....	III-32
6. E-Business : At A Glance Indonesia Online Shop Agent - Arnes Yuli Vandika, Samsul Arifin, Eka Imama Novita Sari, Debi Herlina Meilani	III-37
7. Brand Awareness Strategy: Role of Blackberry Messenger (Case in Sumber Tiket Murah Travel: PIN 2144C41F) - Dian Pane, Baroroh Lestari.....	III-40
8. Analysis of Corporate Social Responsibility Implementation And Social Audit at PT Semen Padang - Elvira Luthan, Sri Dewi Edmawati	III-50
9. Tourism Investment, Supply and Demand in Indonesia: Impact and Factor Analysis -Faurani Santi, Rina Oktaviani, Dedi Budiman Hakim, Reni Kustiari.....	III-61
10. The Effect of Job Satisfaction and Organizational Justice on Organizational Citizenship Behavior with Organization Commitment as The Moderator - Fauzi Mihdar.....	III-75
11. The Economic of Umar Bin Khattāb Policy in Modern Economic Policy - Hendri Hermawan Adinugraha	III-83
12. The Influence of Corporate Governance Implementation toward Bank Performance (Empirical Study on Banks Listed in Indonesia Stock Exchange) - Heriyanni Mashitoh, Irma.....	III-90
13. The Factors That Influence The Firm Performance In The Furniture Industry Jepara - Mahmud,Guruh Taufan H, Ida Farida.....	III-102
14. The Implication of Opportunistic Behavior Towards a Financial Report Conservatism : A Study of Banking Company Go-Public at BEI - Novi Darmayanti, Nur Suci Mei.....	III-110
15. Innovation Strategy With Environment Variable Antesenden Internal, External And Environmental Partnership Strategy For Their Impact On The Sustainable Competitive Advantage (Survey on Small Business in Pangkalpinang city) - Reniati and Dian Prihardini Wibawa	III-118
16. The Infuence of Cash Flow Information Toward Stock Return - Reza Kurniawan	III-126
17. The Influence of Internal Control toward Production Cost Control Efectivity - Sarjito Surya.....	III-132
18. The Influence of Management Information System to Management Control System - Sihar Tambun, Vienda A. Kuntjoro.....	III-138
19. Identifying Indonesia-Uruguay Bilateral Trade Opportunities:A Revealed Comparative Advantage Approach - Sulthon Sjahril Sabaruddin, Riris Rotua Sitorus	III-145
20. Redesign the Competence Business Strategy of SME's in Dealing with ASEAN Economic Community (AEC) Trade Liberalization 2015 Case Studies: SME's Creative Industry Sector in Bandung - Teddy Fauzi	III-153

21. Service Innovation: In Highly Competitive of Hotel Industry - Widjaja Hartono	III-157
22. The Impact of Liquidity, Profitability And Activity Ratio To The Probability Of Default For Banking Companies Listed in Indonesia Stock Exchanges For The Period 2006 To 2012 - William Tjong, Herlina Lusmeida	III-164
23. Using Altman Z-Score Model and Current Status Of Financial Ratio to Asses Of Consumer Goods Company Listed in Indonesia Stock Exchange (IDX) - Yoppy Palupi Purbaningsih,	III-169
24. Analysis of Factors Affecting Foreign Direct Investment Mineral Mining Sector in Indonesia Period 2009-2012 - Zeflin Anggal, Purwanto	III-176
25. Implement of M-Government to Improve Public Services - Ahmad Cucus, Yuthsi Aprilinda	III-181
26. The Development of Productivity Performance Models: Based on Self-efficacy, Trust, Systems Quality, and Information Quality. Study on Information Systems of PT Pindo Deli Paper Products - Indah Kartika Sandhi.....	III-187

Governance

1. Controlling for Agricultural Land Conversion District in West Java Province Tasikmalaya - Ade Iskandar	IV-1
2. Local Handicraft Development Policy Implementation - Ani Heryani	IV-5
3. Designing IT Governance Approach Standard ISO 38500 for Indonesia Higher Education - Arnes Yuli Vandika, Samsul Arifin, Eka Imama Novita Sari, Debi Herlina Meilani	IV-9
4. Potential Thematic Campaign for Lampung Tourism - Hasan Basri	IV-12
5. Globalization and Its Effect on Democracy - Ida Farida	IV-17
6. Bureaucracy Communication and Government Organizational Culture - Khomsahrial Romli	IV-23
7. Creative Economic Development Mode Through Business Learning Group For The Purpose of Ending The Poverty - Soewito, Suwandi	IV-29
8. Child Protection Strategies at Agrarian Conflict Area (A Case Study at Moro-Moro Village, Register 45, Mesuji Regency) - Wijatnika	IV-36

LIMITATIONS OF LEGAL ABILITY IN DISPUTE RESOLUTION OF CONSUMER PROTECTION

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Abstract

Consumer Dispute Settlement Board which is expected to be able to provide a fair settlement to the disputed parties turns out in practice causing confusion for those involved in the implementation process especially when there is an inclusion of the judiciary role in investigating the case of BPSK rejection decision. The problem in this paper is how the limited ability of UUPK law in the consumer disputes resolution is. Based on the result of the study on consumer protection dispute resolution as the end point of the embodiment of justice, it turns out that the law (legislation) in relation to consumer protection has limited capabilities so it cannot realize the purpose of the law. The setting of BPSK contained in UUPK and its implementing regulations there are limitations associated with the setting position of the judiciary, the final setting and binding decision so that BPSK in legislation is ambiguous to be called judicial / arbitration because each has its drawbacks .

Keywords: Ability Limitations of Law, Dispute Resolution, Consumer Protection.

1. BACKGROUND

Efforts to realize the relationship between businesses and consumers need to be improved in a form of a consumer protection organization, so that the government needs to put consumer protection in a product of law. This is important because only the law has the power to force (the law has sanctions).

The existence of legislation on consumer protection does not only have consequences for the Government's obligation to protect consumers, but also it requires to make the development of the national economy, grows and develops the business world so that it can produce a variety of goods and/or services that improves the well-being of society.¹ Various problems encountered the business world is not certainly just in need of a legal instrument that is able to regulate in accordance with the objectives of the law, but also in need of institutions for dispute settlement that is expected to provide protection for the parties in dispute. This is the background of the emergence of the Consumer Dispute Settlement Body.

Consumer Dispute Settlement Body (hereinafter abbreviated as BPSK) is expected to be able to provide a fair settlement to the parties in dispute based on the existing legal provisions. However, in the implementation it turns out an inequality and causes confusion for the parties involved in the implementation process, especially when there is an inclusion of the judiciary role in investigating the case of BPSK rejection decision.

It must be admitted that UUPK governing BPSK, in addition to less special attention to the examination phase in BPSK as the first institutions that deal with violations of consumer rights, also ignores the provisions relating to the role of the judiciary when the setting of relationship between BPSK with the role of the judiciary must be clearly defined because it will have implications in the implementation.

Some ability limitations of the law against BPSK arrangements contained in both UUPK and its implementing regulations can be identified as follows:

- a. The absence of technical guidelines and adequate explanation,
- b. Inconsistency and disharmony in settings,
- c. Different concepts and views on BPSK.
- d. Although BPSK is used in the terminology of arbitration, UUPK does not set the arbitration mechanism

Various limitations of the law ability governing consumer protection dispute resolution cause a legal goal is not achieved and certainly it needs to be redrafted in order to achieve the law's purpose namely justice, expediency, and certainty.

Framework of regulation rearrangements of consumer dispute resolution is an urgent matter in the context of national law development. By a good law setting it is expected that the parties in dispute in particular and the society in general feel the legal protection as people's rights are set out in the constitution. This is what will be studied in this paper with the hope that it is useful for the development of theory and information in order to establish the laws formulation and the consumer protection policy in the future.

2. PROBLEM FORMULATION

Based on the background of the problems that has been raised, the problem can be formulated as follows: How is the limitation of UUPK law ability in the resolution of consumer disputes?

3. DISCUSSION

1. Limitations of Law Ability in Dispute Resolution

The study of the legal regulation of consumer dispute resolution as provided in Act No. 8 of 1999 on consumer protection and associated with other related legislation found that there are some legal limitations and inconsistencies disharmonies of settings, such as BPSK is not constructed as a judicial body so that it has no legal certainty, so that BPSK decision is not final. Some limitations of the law ability are worded as follows:

a. Inconsistency and disharmony Law Settings in the Settlement of Consumer Dispute

Achievement of law objectives as stated by Gustav Radbruch happens when justice, expediency, and certainty can be achieved in a condition of all three sub- systems of law exist as stated by Friedman, legal norms should be in sync with each other both between chapters with the principle and between chapters itself in a legislation as well as between the legislation with another legislation. In fact, the provisions relating to the settlement of consumer disputes are contradictory, overlapping, and inconsistent with each other.

In the settings of UUPK there are inconsistencies between one to another article. This inconsistency can be seen from the provisions of article 1 paragraph (11) to article 46 paragraph (2). Both chapters are in the contrary to the principle of "equality before the law" related to consumer lawsuits.

Based on article 54 paragraph (3) and article 56 paragraph (2), this will cause problems of legal certainty. Thus enabling the submission of objections to BPSK decision will weaken the motivation of any party to resolve their disputes out of court.

Article 56 paragraph (1) which sets the enforcement period of 7 (seven) days, shorter than the period for filing objections as referred to in paragraph (2) that is 14 (fourteen) days, is a mistake. This is because businesses may not carry out the decision when they are not deemed to accept the decision legally because the period to file an objection, which is 14 days, has not yet expired.

Article 54 paragraph (3) and article 57, in practice the difficulties arise to request fiat execution by the District Court because the verdict of BPSK does not load Irah - Irah "For Justice Based on one God", so it might not be in the execution, and yet there are rules / instructions on the procedures for applying the execution of BPSK decision. In addition to inconsistencies between articles in UUPK there is also a disharmony with other legislation.

Article 45 paragraph (2) UUPK with article 1 paragraph 1 of act no. 30/1999, UUPK uses the terminology of arbitration while UUPK does not set up an arbitration mechanism as specified in act no. 30/1999. Due to article 1 paragraph 1 of act no. 30/1999 both parties have been bound to the arbitration agreement, so it is not possible to re-assessed by the district court.

Article 56 paragraph (2) UUPK with (HIR). In HIR it does not set/know about an objection. Objection terminology is not a legal remedies known in the legal system that exists, so it will cause problems in the courts because the courts do not have the special registers of complaints.

Article 57 of UUPK with article 4 paragraph (1) of act no. 4/2004 Junto act no. 48/2009, UUPK does not list Irah - Irah For Justice based on one Almighty deity". The inclusion of these Irah - Irah gives the executorial strength to the decision so that the removal of Irah - Irah results in the decision to be null and void.

Based on the above description, it can be seen that the arrangement in UUPK is also linked/related with other legislation, but if it is reviewed in the form of horizontal harmonization, UUPK is also in the contrary to the laws and regulations related to these. Such legislation emerges ambiguities of norm as a result of careless use of language, so that it gives different interpretations and ultimately leads to conflicts of law. Whereas ideally any related regulations should be formulated with the language and terms used consistently, so that the regulations although have objectives and strategies to achieve different goals, but in the end they can achieve the same goal, namely certainty, fairness and expediency at each regulation. Disharmony of legislation related to consumer protection does not only against fellow provisions in the same statute, but also to the various provisions of laws and other regulations, such as the use of the term for filing an objection, terminology of arbitration. Therefore UUPK is needed in consistency and harmonization efforts between the first article with another article in UUPK as well as between articles in in another legislation, so that there is no opposed interpretation in each interested party.

Based on the functions of consistency and harmonization of law at the behest of law as the goal to be achieved in the setting of UUPK, it should be as a direction to do the consistency and harmonization, so that UUPK aims which is to create consumer protection and grow the national economy could be achieved.

b. The Certainty of BPSK as the Judiciary

Dispute resolution to defend consumer rights is set forth in article 45 paragraph (2) in the first part which states that UUPK determines that the dispute resolution can be done through the court and out of court based on the choice of the parties in dispute.¹ The further setting on consumer dispute resolution outside the court is set in article 49 paragraph 1 of UUPK which states that the government sets up the Consumer Dispute Settlement Body in the level II regions for the settlement of consumer dispute out of court.¹ The follow-up of the provisions of UUPK is then formed BPSK by Kepmenperindag No. 350/MPP/12/2001 about the duties and the authority of BPSK.

c. The Decision of BPSK is Final dan Binding

The BPSK existence which is expected to be part of distributive justice especially for consumers who feel aggrieved by the business, as BPSK decision is final and binding, so it does not need to be brought to court. However, in experience a variety of obstacles exists in its implementation.

The weak point of this BPSK institution is that BPSK verdict is still possible for an objection to be submitted to the district court by the party who is not satisfied though basically BPSK decision is final and binding.

The provisions of article 54 paragraph (3) of UUPK and article 42 paragraph (1) Decree of the Minister of Industry and Trade No. 350/MPP/Kep/12/2001 clearly states that BPSK verdict is final and binding and no longer be possible to file an appeal, but in article 56 paragraph (2) of UUPK, there is still an opportunity to file "objections" to the district court, after hte decision of BPSK is notified.¹ It is a matter of legal certainty. The emergence of the possibility of filing an objection against BPSK decision will weaken the motivation of any party to sit in the negotiations to resolve their disputes out of court.

In line with the provisions to have the possibility for an appeal of BPSK decision to the District Court, then if it has not yet received the decision, the district court can file an appeal to the Supreme Court. Both are the same "to annul the final and binding nature" of the BPSK rule⁴. This shows that there is a contradiction between articles in UUPK, so that it can be said that the verdict of BPSK is no use. Given the opportunity to file an objection and appeal will add long turnaround time of consumer and business disputes, won't it? A goal of the non-litigation settlement is to reduce the accumulation of cases and speed up the completion of the case, known as the principle of procedural justice that is simple, inexpensive, and fast.⁵

At present there is a disparity in judgment against a consumer dispute which is basically a case of objection effort to BPSK decision, and there is no unity of opinion and the consistency of any court decisions. This is due to UUPK that does not regulate or provide technical guidance to what is meant by "objection effort".

UUPK has not confirmed in a limitative way the scope of the objections against the decision of BPSK. Noting the current judicial practice, the implementation of legal instruments of objection is very confusing and leads to different perceptions and interpretations, especially for judges and the judiciary itself causing various interpretations of the meaning and the intent of a law.

This is due to objection terminology that is not recognized in the system of the existing legal event. Are objection efforts must be filed in the event of a lawsuit, resistance, or petition and whether or not

BPSK is directly sued so that their testimonies are able to be heard? In the court itself it will cause problems because the objection will be registered on some register because the court has no special registers of complaints.

It must be admitted that this UUPK prejudices to the provisions related with the judiciary. The role setting of the judiciary is not clearly regulated, but the regulation has important legal implications.

Then the question arises whether the effort objections referred to Article 56 paragraph (2) UUPK conjunction with Article 41 paragraph (3) Kepmenperindag No. 350/MPP/Kep/12/2001 can be interpreted as a new action or a resistance.

Although the use of the term "objection" is unusual in procedural law, if it is associated with the provision that the district court accepts the objection, it shall give its decision within a period of 21 days, thus effort objections raised by those who reject the decision of BPSK have to be interpreted as an appeal.

An appeal is an attempt granted by legislation to take the case to a higher court for retrial requested for the first instance court.⁶

When the parties have chosen the dispute resolution is done by BPSK through arbitration, then legally the decision BPSK should be regarded as a decision of an arbitration body. Hence, the objection against the decision of BPSK should be reviewed and considered in the context of an objection to the decision of an arbitration institution, so the application of the law should pay attention to the provisions of the Law no. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution out of court.

If the parties have selected a consumer dispute resolution through BPSK in an arbitration way, then it is an agreement to exclude the court's discretion in resolving disputes that arise, and are fully in absolute terms of BPSK authority.

If objection efforts as referred to Article 56 paragraph (2) UUPK is analogly interpreted as an appeal then all provisions related to the implementation of the appeal refer to the provisions of the procedural law in general court, particularly the civil law.

If the setting of the final and binding decision of BPSK is countered by the general court that is in line with the theory of law objective as what Gustav Radbruch said, the decision of BPSK is meaningless so that it will cause an uncertainty, unnecessary and unjust. A law that is uncertain is a useless law and the uncertain law certainly would cause injustice. This shows that the law governing the settlement of consumer disputes through BPSK has limited capabilities.

4. CONCLUSION

Based on the results of the study on consumer protection dispute resolution as the end point of the embodiment of justice, it turns out that the law (legislation) in relation to the protection of consumers has an ability limitation so that it cannot realize the objectives of the law/is not consistent and harmonious. The arrangement of the Consumer Dispute Settlement Board contained in UUPK and its implementing regulations has the setting limitations related to the position of the judiciary, the setting of the final and binding decision that makes BPSK ambiguous to be called judicial / arbitration in legislation because each has its drawbacks. As a suggestion the government in this case the House of Representatives should immediately renew the UUPK and Regulations Implementation specifically related to the duties and powers of the Consumer Dispute Settlement Body. It should be disseminated to consumers the role of BPSK in resolving disputes. Consumer dispute resolution is temporarily resolved through civil court.

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