Cyber Notary as A Mean of Indonesian Economic Law Development

Ikhsan Lubis\textsuperscript{a*}, Tarsisius Murwadji\textsuperscript{b}, Sunarmi\textsuperscript{a}, and Detania Sukarja\textsuperscript{a}

\textsuperscript{a} Faculty of Law, Universitas Sumatera Utara, Indonesia. Corresponding author Ikhsan Lubis, e-mail: ikhsanlubis@students.usu.ac.id
\textsuperscript{b} Faculty of Law, Universitas Padjadjaran, Indonesia. E-mail: t.murwadji@unpad.ac.id

\textbf{Article}

\textbf{Abstract}

This paper tries to show how Indonesian economic law has evolved via the emergence of the cyber notary idea. Notaries engage in various everyday tasks and activities in the fantastic world development, such as giving the clients the finest service possible and impacting the economy. According to the law, notaries are required to be able to help and support anyone who requires genuine written documentation of legal situations, events, or activities. This study employs qualitative approaches and descriptive analysis. Additionally, researchers are interested in the phenomenon that examines the idea of a cyber notary as a way to advance Indonesian commercial law. Qualitative research aims to conduct extremely thorough investigations that examine the research's findings in great detail. Both primary data and secondary data are employed as sources of information. The findings demonstrate that cyber notary adds value to electronic documents by legalising them, for example, in addition to digitising notarial operations. However, because many aspects need to be ready, its implementation will take some time. Article 1868 of the Indonesian Civil Code stipulates that a genuine deed is a deed in a certain form that has been prescribed by law and is made before a public authority.

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\textbf{INTRODUCTION}

In the context of the 4.0 Era, this article examines the interaction between law and technology. The transition from traditional to digital models of economics, politics, and law has occurred throughout the fourth industrial revolution, which breakthroughs in digital technology have characterised. One of the sectors that have the most effect is the economic one. E-commerce, or the practice of conducting business using technical tools like the internet, is one of the business models in the period of the 4.0 Era.\textsuperscript{1} In Indonesia, the value of e-commerce increased by 63.36

\textsuperscript{1} Xudong Song et al., “A Bearing Fault Diagnosis Model Based on CNN with Wide Convolution Kernels,” Journal of Ambient Intelligence and Humanized Computing, April 2021, https://doi.org/10.1007/s12652-021-03177-x.
per cent during the first semester of 2020, with total transactions reaching Rp. 186.75 trillion and an increase of 48.4 per cent or 385 trillion rupiahs in 2021. Globally, even at the end of 2021, the development of e-commerce has increased by 54% or reached 3.56 billion dollars, or an increase of 22% from 2020. The key to successful e-commerce is to disrupt conventional business because it uses sharing methods and artificially based connectivity that is intelligent, big data, and without managing large organisations and resources. \(^2\)

The effects of applying laws from one place to another have been the subject of a long-running debate sparked by globalisation. Developments-related changes happen quickly, particularly in the information and communication fields. Supercomputers, genetic engineering, nanotechnology, autonomous vehicles, and innovation are the hallmarks of the fourth industrial revolution, or Industry 4.0. The economy, industry, government, politics, and law are all affected by these changes, which happen exponentially. Nowadays, the world is increasingly viewed as a global village. According to the McKinsey Global Institute analysis, industry 4.0 has a significant and wide-ranging impact, particularly in the workforce sector. Many jobs will be eliminated in this era by robots and machines. Because of the need for dependable, excellent, and specialised human resources in Industry 4.0, new issues for human resources have developed. Positions in the legal industry, like notaries, must enhance public services by utilising current information technology. Notaries in Industry 4.0 need to be able to think critically, solve issues, communicate, be creative, and work in teams. \(^3\)

The increasing global economic activity in adapting to the 4.0 era has encouraged the government to adopt information technology policies to facilitate national economic growth and development. \(^4\) The Jokowi regime’s strategic program in facing the era of the 4.0 Era is to optimise the Ease of Doing Business (EoDB) or the ease of doing business index. The ease of doing business index is an important aspect of investment because the higher the Ease of Doing Business (EoDB) rating of a country indicates that the country has a better level of ease of doing business. In the era of 4.0, the practice of the position of a notary is experiencing disruption. \(^5\)

The notary functions internationally under two different legal systems: common law notaries, sometimes known as public notaries, and notaries in legal jurisdictions. Despite the fact that they are both notaries, their roles and powers are distinct. Indonesia follows a civil law system that draws its primary authority from written laws or regulations. When conducting elec-

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Electronic transactions, which frequently employ cyber notaries, notaries serve as reliable third parties to mediate contracts and cooperative agreements. The impact of technology on notary operations upsets the status quo; computer-literate notaries will make the necessary adjustments and welcome technological assistance, but others who need help understanding will opt to continue with the current practices. However, as of right now, Indonesia does not have any specific laws governing the method for creating deeds using electronic media, which is a subset of the cyber notary system. A Cybernotary aims to expedite the process of creating a genuine deed by ensuring that all statements asked from interested parties are included in the authentic deed and that any acts, agreements, or stipulations needed by law are fulfilled. The parties concerned should find it easier to complete a notarial deed online. However, using internet technology comes with legal issues. Cybernotarial implementation is a way of adapting to the requirements of society and the times. As robust, competent, and dependable institutional assistance is needed to guarantee that cyber defence objectives are met, it may also enhance Indonesia's cyber security and resilience.

The discourse to adopt techniques and technology facilities in office practice is getting stronger, and even international organisations and conventions such as The International Union of Latin Notaries (UINL), Organization of Economic Co-operation and Development (OECD), United Nations Commission on International Trade Law (UNCITRAL) are getting stronger. The Hague Conference on Private International Law De La Haye De Droit Conference. International Prive (HCCH) has made a legal breakthrough to adopt an electronic system into notary practice. However, the unpreparedness of Indonesian notary law in responding to technological developments has implications for the emergence of legal uncertainty, namely deviations in roles and functions or even dysfunction of authority.

Economic development is significantly influenced by structural change. One of the six characteristics of a modern economy, according to Kuznets (1973), is a high degree of structural change. Theoretically, a cross-sector reallocation from low-productivity economic sectors to higher-productivity economic sectors is the mechanism through which structural change is transmitted to economic growth. With the introduction of Industry 4.0, most individuals now carry out practically all tasks using digital technology, including local and international business transactions. With this change in transactional behaviour, contracts and agreements formed by the community in the course of daily life have taken on a new shape. Electronic contracts are now the standard for electronic transactions. In order to foresee this novel phenomenon,

Following Government Regulation Number 82 of 2012 concerning the System and Implementation of Electronic Transactions, the Indonesian government has issued several regulations that govern and provide legal certainty and implementation, as well as the legality of electronic transactions, including electronic contracts. Therefore, this study aims to show how Indonesian economic law has evolved via the growth of the cyber notary idea.

Developing the concept of the cyber notary as a means of developing Indonesian economic law is to analyse the relationship between the implementation of the cyber notary with the economic law perspective. Furthermore, there are three previous kinds of research that have reviewed cyber notaries, namely First, Research by Nola entitled opportunities for the implementation of the cyber notary in Indonesian laws and regulations. Second, research by Setiadiwi and Wijaya entitled legality of cyber notary-based notarial deeds as authentic deeds. Third, research by Marlin and Putra entitled the importance of implementing cyber notary as an effort to create business practice security in Indonesia. However, the novelty of this research, namely the cyber notary concept, is studied from the aspect of legal and economic development.

RESEARCH METHODS

This study employs qualitative approaches and descriptive analysis. Researchers are also interested in looking at phenomena that relate to law and technology: In the Industrial Revolution Era 4.0, under the direction of the Indonesian Notary Office, qualitative research is focused on highly in-depth investigations in which the findings are thoroughly examined and then properly interpreted. In order for researchers to complete and organise knowledge in a targeted manner, this study uses two sources of data, including primary data and secondary data. The facts of the results are expressed in a very simple style of discussion.

ANALYSIS AND DISCUSSION
Concept of Cyber Notary

The goal of the cyber notary is to speed up and simplify the creation of an authentic deed by ensuring that all statements sought from interested parties are included in the genuine deed as well as by meeting all legal obligations. Several supporting laws and regulations, such as Article 15 Paragraph (3) of Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 respecting the Position of Notary, at this moment, referred to as Notary Act Position Change, make it possible to put the concept into practice. It is vital to establish regulations that are agreed upon by all relevant parties to increase notaries’ proficiency in information technology systems. The current legal regime, which is serious about cutting down the rule of law and bureaucracy through digitalisation and electronic disruption programs to support the ease of doing business, is a production contract for the position of a notary. Instead of notaries being given the authority to certify electronic transactions to strengthen the notary's central and strategic position, notaries have been "castrated" and the scope of their authority has begun to be narrowed. Practical and economic issues that form the basis for the government's political policy-making, the fundamental component is ignored, namely law order/harmonisation. This condition, in the end, backfired for law enforcers such as the Notary Office. On that basis, an in-

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depth study of the relationship between law and technology in developing notarial law is needed in Indonesia.

The new paradigm that is emerging in the age of the global industrial revolution is based on automation, efficiency, and operational effectiveness, which are exemplified by Cyber-Physical Systems (CPS), the Internet of Things (IoT), Internet of Services (IoS), Robotics, Big Data, Cloud Manufacturing, and Augmented Reality. The creation of more intelligent environmental organisations is made possible by developing smarter manufacturing processes. These processes include machine tools, production modules, and products that can autonomously communicate information, initiate activities, and control one another. Of course, Indonesian law needs to govern this.

The phrases Disruption, disruptive innovation, disruptive technology, and disruptive mindset are very popular among scholars and the general public. Technology "disruption" is recognised as having permeated all aspects of life, be it business, investment, politics, government, socio-culture and law. Furthermore, the influence of today's technological disruption has penetrated human affairs and views about culture, truth and justice. The reality of modern society is increasingly inseparable from technological developments. Technology is an inseparable part of the joints of life and affects changing patterns (patterns) in the order of interaction and relations of human life. Indonesian law, therefore, needs to foster economic efficiency in at least two ways: by designing laws to eliminate obstacles that discourage private negotiating and by making laws to reduce the harm brought on by private negotiation failures. The law must be distributed to those who value it most if private negotiation fails. Efficiency gains in certain aspects aid in harmonising legal practice with other societal norms. When such rules are in place, they serve as social instruments to encourage economic efficiency consistent with other social norms.

The idea of a cyber notary can make it easier for a notary to do their obligations, and it is now being used in Indonesia. The use of the phrase "cyber notary" in the explanation of Article 15 Paragraph (3) UUJNP, where it is readily apparent, demonstrates how the notion has been applied. When a notary creates the minutes of the General Meeting of Shareholders (hereafter referred to as the GMs) of a Limited Liability Company, he is using information technology to carry out his obligations and exercise his power.

In contrast to the American concept of the cyber notary, Nicole in Wijaya explained that the American Information Security Committee of the American Bar Association proposed the
cyber notary practice in 1993. Under this concept, a notary in America has the authority to authenticate various documents made in electronic business communications.\textsuperscript{17}

Furthermore, the comparison with the Philippine Law, which allows the making of party deeds using teleconference so that the parties do not need to be present in person, as in an Act Allowing Remote Notarisation and Amending Republic Act No. 8792 or otherwise known as the Electronic Commerce Act of 2000, and for other purposes Section 9 Remote Notarisation - notarial acts where the signing parties and witnesses are not physically present in front of the notary public, may be conducted via videoconferencing facilities. Provided that it shall adhere to the rules and regulations as may be determined by the Supreme Court.

From the motion of law and economics, the cyber notary concept has been developed to develop Indonesian economic law. It responded to the first fundamental question that it plays a significant role in creating and implementing the law so that the rule of law can actually distribute justice, which is the standard of the economy. Although most legal positivists do not view justice from an economic standpoint, the concept of economic justice still aids in giving the legal practice a clear sense of direction. The economic method allows the law to be viewed, understood, and analysed as systems that economic analysis may enlighten, reveal as coherent, and in some cases enhance. It also promotes the law to function economically efficiently.

\textbf{Implementation of Cyber Notary to Support Indonesian Cyber Security and Resilience}

The potential implementation of the cyber notary to support in Indonesia since April 13, 2021, is one of the state institutions that we called the State Cyber and Code Agency. The concept of a cyber notary can be supported by State Cyber and Code Agency, especially for the security and safety mechanism to implement it.

All national cyber security stakeholders use the Indonesian Cyber Security Strategy as a common reference for creating and implementing cyber security policies inside their organisations. They are based on the fundamental tenets of social and political life, including sovereignty, independence, security, community, and adaptability. Legal innovations produce reliable methods for information storage and retrieval. There were no copiers or computers two hundred years ago. Rules for conditional evidence address the primary issue with documentary evidence, which is the veracity of contracts and deeds. Several laws have governed the admission of electronic evidence in court. Regionally, this issue has also been addressed by European Parliament Directive 1999/93/EC.\textsuperscript{18} Contracts signed via electronic means do not lose their force and legal validity, according to the European Parliament and Council's Directive on Electronic Commerce from June 8 2000, on some legal elements of information society services, particularly electronic commerce, in the Internal Market.\textsuperscript{19}

\textsuperscript{17} JA Caswell and AL Yaktine, \textit{Individual, Household, and Environmental Factors Affecting Food Choices and Access, Supplemental Nutrition Assistance Program: Examining the Evidence to Define Benefit Adequacy}, 2013.


As is the case with the omnibus law, which was recently passed as a law, the development of the cyber notary concept as a means of developing Indonesian economic law can also be carried out for economic and legal interests in Indonesia. The President of Indonesia officially enacts a job creation law – commonly known as the "Omnibus Law". By streamlining the licensing process, harmonising various laws and regulations, and accelerating policy decision-making for the central government to address global or other changes or challenges, it aims to attract investment, generate new jobs, and strengthen the economy, among other things. The Omnibus Law has changed more than 75 current laws, and it will be necessary for the central government to publish more than 30 government rules and other implementing regulations in the next three months. Focusing on making it easier to conduct business in Indonesia, such as through streamlining the licensing and land acquisition procedures, establishing economic zones, bolstering incentives for free trade zones, and establishing a land bank supervisory body, are a few of these essential topics introducing innovative, risk-based business ideas. The three types of business activity are low, medium, and high risk. Business actors must get a business identification number for all categories. Standard certification and business licenses are necessary for medium-risk and high-risk firms. Investing, including foreign investment, is permitted, except investments in sectors of the economy that are off-limits to outsiders or that the central government can only carry out. The central government intends to replace the current negative list with a positive one by presidential rule. In general, the Omnibus Law's amendments to the legislation regulating many commercial industries now contain requirements and prohibitions relating to foreign investment. This should provide the central government with more discretion.

The existing condition of the cyber notary in Indonesia can be constructed for the future authority from the cyber notary, and it is potential to implement it since there is the State Cyber and Code Agency. The influence of technology in the development of law cannot be separated from the encouragement of the economic subsystem with high energy. Richard Posner, through the Economic Analysis of Law Theory, is defined as legal economic analysis saying that every legal problem must still be constellated (compiled, built, and linked) with basic economic concepts, reasons and economic considerations to be able to position the nature of the law legal benefits.

Economic Analysis Theory of Law is built on Jeremy Bentham's utilitarian philosophy with basic concepts, namely the concept of rational choice, value, efficiency, and utility, called felicific calculus. Felicific calculus is used to measure legislation results with variables called circumstances, namely purity, extent, duration, intensity, certainty, fecundity, and familiarity. It is believed to be able to achieve the greatest happiness of the greatest number. Based on the legal economic theory mentioned above, creating legal technology market segmentation with the approach and concept of "cost-benefit analysis" to estimate the benefits and costs of technology-based legal practice. Technological disruption in the legal field starts from the bespoke model to the commodification model and cost structure in the legal services market.

Article 5 of the Information and Electronic Transactions Law. Due to the concentration of the legislation on electronic evidence, Due to the nature of Indonesian notaries, whose primary duty is to create legitimate deeds that may serve as compelling evidence before a court of law, Law No. 19 of 2016 is also recognised as the starting point of internet notary. The introduction of the cyber notary in Indonesia is a declaration of the necessity for the law to adapt to both
global and technical demands. The current issue is the passing of legislation that conflicts with and is against other laws and regulations. In order to underline the imbalances in the laws that exist in reality clearly and practically, we conduct our study from a paradoxical standpoint. In order to have comprehensive knowledge, we may compare the cyber notary in Indonesia, in particular the compromises performed, with the cyber notaries outside. This approach highlights the originality of the study. Additionally, this work makes an effort to provide answers to queries that necessitate in-depth study. The findings of this study will help Indonesia develop its regulations, particularly those on cyber notaries.

Online and face-to-face legal services are moving from bespoke to standardisation, systematisation and externalisation (packaging). Online technology enables legal service providers (lawyers or notaries) to package and offer their services and services to clients more efficiently and effectively. The entire process, from bespoke to packaging, is referred to as the commodification of legal services. The commodity is the process by which providers charge for access to their online services and offer clients a much lower fee. The main drivers of legal services have three dimensions: clients who cannot pay for legal services, individual consumers who begin to demand legal services quickly at low costs, and movements that become catalysts to bring change into legal work.

In addition, the UN Commission on International Trade Law UNCITRAL has completed its work on a legal model that is expected to support international commercial contracts through electronic media. This legal model outlines the rules for ratifying and recognising contracts made through electronic media, establishes rules regarding breach of contracts, formation and execution of electronic contracts, establishes the characteristics of legal electronic writing, original documents, acceptable electronic signatures, and support the acceptance of computer evidence in court or arbitration proceedings. The implementation of a cyber notary to support Indonesian Cyber security and resilience by optimising the existence of the State Cyber and Code Agency. We can make one of the State Cyber and Code Agency divisions that has the authority to be concerned about the cyber notary implementation in Indonesia.

UNCITRAL’s Model Law on Electronic Commerce was accepted by UNCITRAL in 1996 as a follow-up to its mandate to create harmonisation and unification of international trade law that can remove barriers to international trade. The Model Law was prepared in response to the major changes in how communication between parties uses computers and other modern techniques to conduct business. This legal model is intended to serve as an example for countries to evaluate and modernise certain aspects of their laws and practices in the field of commercial relations by using computer communication techniques or other modern means and making relevant laws and regulations that are not currently available.

The Model UNCITRAL Law on Electronic Commerce has been published together with a Guide to Enactment, which explains the law.\(^{23}\) In drafting and finally accepting the Model Law, UNCITRAL realised that this Model law would be an effective means for countries to modernise their laws and regulations and provide explanations for the parties to understand and use this Model law.\(^{24}\) The compilers of Model Law seem to recognise that legal requirements in traditional paper-based documents are a major obstacle to the development of modern modes of communication. The meaning of writing, signature, and original must be developed for the benefit of computer engineering.

The legal model rests on an approach called the Functional Equivalent Approach, which is based on an analysis of the objectives and functions of traditional paper document requirements. The aim is to determine how these objectives and functions can be achieved through E-Commerce techniques. For example, the functions that paper documents want to achieve are: ensuring that they are readable by everyone; that the document will not change over time; allowing reproduction so that the parties to the agreement have copies of the same data; allowing authentication of data through signatures, guarantees that documents can be accepted by official officials or by courts. Concerning the function of these documents, it is believed that electronic archives can provide the same security guarantees as paper documents, even in many cases being able to provide a higher level of trust and certainty, especially in terms of identifying sources and their contents data, provided that several technical and legal requirements are met.

**CONCLUSION**

Notary services now adapt to a computerised system, a novel phenomenon in the millennial era. That notaries carry out a variety of duties and tasks in the notary business regularly, including giving their clients the greatest service possible. According to the law, notaries are required to be able to help and serve anyone who requires genuine written proof pertaining to legal situations, events, or acts. As a result, persons who are appointed as notaries must have a sense of community service. A notary is only useful if the general public needs it. The idea of a "cyber notary" is the complete opposite. Physical contacts are not necessary, and virtual encounters enabled by telecommunications technology can take their place. A legal discussion comparing the traditional notarial deed with the electronic notarial deed has been prompted by the virtual meeting that took place during the creation of the deed. Cybernotary not only digitises notary tasks but also give electronic papers value by legalising them, for instance. However, because various preparations must be made, its execution will take some time. One of them is the modification of Article 1868 of the Civil Code, which specifies that a deed in a certain form that has been prescribed by the law and is made before a public authority qualifies as an authentic deed. The idea of a cyber notary is frequently connected to distant services, including remote deed creation. In theory, a cyber notary and a traditional notary are similar. The notary continues to be in direct contact with all parties. The main distinction is that the parties study the document on their individual computers before consenting and signing the deed electronically at the nota-

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Cyber Notary as A Mean of Indonesian Economic Law Development

Making a deed should be more than just witnessed on paper. A deed can technically be completed online without violating any rules or regulations. State Cyber and Code Agency might be supportive of the idea of a cyber notary, especially concerning the security and safety measures that will be used to execute it. Comparatively speaking to the USA, cyber notaries may be implemented thanks to information security safely; thus, there is potential for its legal construction.

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