

## Legal Aspects of use of QR Codes as a Tool of Payment in Cross Countries

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### ABSTRACT

Bank Indonesia stated that currently QR-Code Indonesia can be used in Southeast Asia and Asian countries, better known as QR-Codecross border or QR-Code across countries. Bank Indonesia as the banking regulator in Indonesia continues to promote the use of QR-Codecross border as a substitute for currency. physical money so that it can be used by people who travel abroad or tourists to Indonesia and/or people who carry out cross-border transactions, but on the other hand there are no special regulations yet to ensure the security and comfort of the public in using QR-Code across borders. The research method uses a type of normative juridical research, namely research that focuses on the study of legislation and how the law works. The data collection method uses the library research method or library research using secondary data in the form of legislation, books and previous research using the descriptive analysis method. Analysis The form of QRIS regulation between countries is an agreement outlined in the form of an MoU cooperation document. There are 5 central banks that have signed, namely Bank Indonesia, Bank Negara Malaysia, Bangko Sentral Pilipinas, Monetary Authority of Singapore, and Bank of Thailand. Currently, its use is only based on a cooperation agreement between Bank Indonesia and the Central Bank of a foreign country or the provision of foreign payments. Regulations for cross-border QRIS use in Indonesia are currently only based on the Regulation of Members of the Board of Governors Number 21/18/Padg/2019 concerning the Implementation of the National Quick Response Code Standard for Payments.

**Keywords:** QR Code, Payment, Cross Border, Regulation

### INTRODUCTION

The increasingly rapid technological developments and revolutions currently help the development of all aspects of work and needs, one of which is made easier by the 5.0 technological revolution with the concept of a technology-based, human-centered society that has been realized, one of which is the digital payment system. Currently, the payment system is known for several models based on digital technology, for example via E-wallet, Internet banking, and the most developed currently is the payment system using Quick Response Code or more commonly known as QR-Code. Bank Indonesia (BI) noted that the number of Quick Response Code users in Indonesia was 28.75 million as of December 2022. This number has increased by 15.95 million users compared to the end of last year. Of this number, the majority of QR-Code users are in Java, namely 20.59 million. The second position is occupied by Sumatra with 4.75 million QR-Code users as of December 2022. A total of 1.25 million QR-Code users are in Kalimantan. There are also 1.18 million QR-Code users located in Sulawesi, Maluku and Papua. Meanwhile, the fewest QR-Code users are in Bali and Nusa Tenggara. The number was recorded at 979,788 users by the end of last year. Apart from that, the total number of merchants who have used QR-Code is recorded at 22.7 million merchants. According to Bank Indonesia, QR-

Code has become an entry point into the digital ecosystem to support economic and financial inclusion in Indonesia

The data above shows and proves that currently the shift in payments to digital form, especially in this case using QR-Code, is a fact of the development of digital payment systems. Bank Indonesia as the financial system regulator in Indonesia issued Regulation for Members of the Board of Governors Number 24/1/PADG/2022 dated 25 February 2022 concerning the Second Amendment to Regulation for Members of the Board of Governors Number 21/18/PADG/2019 concerning Implementation of the National Quick Response Code Standard for Payments as standards and nominal limits for using QR-Code in Indonesia

Law as a means of development and prosperity of society must be present and become the basis for every state policy or in responding to phenomena in society in order to achieve order. The phenomenon of shifting the payment system to QR-Code requires laws or regulations in order to guarantee security and certainty in the use of QR-Code as a digital technology-based payment system.

The development of technology or what is known as the 5.0 revolution is not only occurring within Indonesia as a country or only in the region of Asia and Southeast Asia, but the development of the technological revolution itself has reached the entire world, including digital payment systems which are the same as conventional payment systems or banking transactions which are also touching cross-country or cross-border. The QR-Code payment system is also developing throughout the world and touches cross-border transactions. Bank Indonesia itself stated that currently the Indonesian QR-Code can be used in Southeast Asia and Asian countries, better known as QR-Codecross border or QR-Codelintas countries. The use of cross-border payment systems is generally carried out by conventional banking payment systems in the form of transfers between accounts, checks, money orders, and so on. However, with the development of digital technology today, using QR-Code can now become a very efficient payment system. In just a matter of seconds, people can make transactions without having to enter the destination account number.

The use of QR-Code itself is currently supported by various banking and non-banking application platforms which are able to scan barcodes to make payments and display barcodes to receive payments. So that people can easily make payment transactions. The use of QR-Code cross border itself has a number of problems, one of which is the lack of certainty regarding the regulations governing QR-Code cross border transactions. Due to its cross-border nature, it is certain that the regulations formed must be in the form of mutual legal assistance in the realm of banking law.

Bank Indonesia as the banking regulator in Indonesia continues to promote the use of cross-border QR-Code as a substitute for physical currency so that it can be used by people traveling abroad or tourists to Indonesia and/or people making cross-border transactions, however, on the other hand, there are no specific regulations to guarantee that public safety and comfort in using QR-Code cross border

## METHOD

This research uses normative juridical research and the nature of this thesis's research method is descriptive analysis, namely research that describes, examines, explains and analyzes a legal regulation, in this case related to Legal Aspects Of Use Of Qr Codes As A Tool Of Payment In Cross Countries, Source The legal

materials used in this research are secondary data which is data obtained from official documents, books or any form of research related to research objects and research results in the form of reports, journals, theses, dissertations and statutory regulations. The data analysis technique used is qualitative data analysis, namely a research procedure that produces analytical descriptive data, namely by collecting materials and data as well as applicable regulations and legislation which are then analyzed using logical legal thinking.

## RESULTS AND DISCUSSION

### Results

The role of physical currency is starting to lose its popularity as the digital era develops. The more transactions carried out in the virtual world make cash considered less efficient. With the benefits obtained by the state through savings in transaction costs, it is hoped that there will be a trend towards changing cash transactions to non-cash transactions (cashless society). The emergence of Law Number 11 of 2008 concerning Information and Electronic Transactions, which was subsequently revised through Law Number 19 of 2016 (hereinafter referred to as the ITE Law) guarantees legal certainty in the field of electronic transactions. It is important to regulate this guarantee, considering that developments in communication, information and multimedia technology have resulted in various changes in the social and economic.

In the General Explanation of Law Number 11 of 2008, it is explained that the use of information and communication technology has also caused world relations to become borderless and caused significant social, economic and cultural changes to occur very quickly. Apart from providing prospective positive impacts from information technology, this technology has actually given rise to new impacts on people's lives, for example piracy, electronic transaction fraud and cybercrimes.

The development of an electronic payment system using QRIS can not only be used nationally, but currently with the development of Central Bank technology from four ASEAN countries, namely Bank Indonesia (BI), Bank Negara Malaysia (BNM), Bangko Sentral Pilipinas (BSP), Monetary Authority of Singapore (MAS), and Bank of Thailand (BOT), have agreed to collaborate in realizing and supporting payments that are faster, cheaper, transparent and inclusive. One embodiment is to implement QRIS between countries. QRIS between countries is a QR code-based cross-border payment system that can be used for cross-border transactions. With QRIS between countries, transactions between countries no longer need to convert or exchange currency when shopping in the country they are visiting, just by scanning the QR code. So, payments for transactions made by foreign tourists in Indonesia can be made by scanning the QRIS of Indonesian merchants using their country's payment application. On the other hand, payment for transactions by Indonesian tourists can be made by scanning the standard QR of the country they are visiting using the Indonesian payment application. Currently, QRIS between countries can be used in Thailand and Malaysia.

The form of QRIS regulation between countries is an agreement outlined in the form of an MoU cooperation document. There are 5 central banks that have signed, namely Bank Indonesia, Bank Negara Malaysia, Bangko Sentral Pilipinas, Monetary Authority of Singapore, and Bank of Thailand. QRIS Cross Border is a

collaborative initiative to build standardization of cross-border trade between countries. It should be noted that this QRIS transaction does not have an international system to coordinate the risks faced by QRIS users between countries. Indonesia as the first promoter of qris between countries in ASEAN has a big role in the rapid development of trade between countries in the world today. Therefore, it is very important to build a well-structured inter-country payment system led by multilateral and international financial institutions

According to Bank Indonesia, payments between countries through national payment QR Code interconnections are one form of implementation of the Indonesian Payment System Blueprint 2025. Bank Indonesia is aware of the importance of payment interconnections between countries and will continue to expand this initiative. This is done to provide convenience and expand payment options for people in both countries, which ultimately aims to increase transaction efficiency, support the digitalization of trade and investment, and strengthen macroeconomic stability by promoting the use of Local Currency Settlement/LCS (settlement of transactions in local currency) more broadly. The use of direct quotation of local currency exchange rates provided by Appointed Cross Currency Dealer (ACCD) banks under the LCS framework will increase transaction efficiency so that transaction costs become cheaper

Regarding the legal aspects of cross-border use of QRIS, currently its use is only based on cooperation agreements between Bank Indonesia and Central Banks of foreign countries or the provision of foreign payments. Regulations for cross-border QRIS use in Indonesia are currently only based on the Regulation of Members of the Board of Governors Number 21/18/Padg/2019 concerning the Implementation of the National Quick Response Code Standard for Payments. Article 18 of the Regulation of the Members of the Board of Governors Number 21/18/Padg/2019 states that the obligation to use QRIS in every payment transaction as referred to in Article 6 also applies to payment transactions in Indonesia which are facilitated with a QR Code. Payments using administered funding sources and/or payment instruments issued outside the territory of the Unitary State of the Republic of Indonesia. Meanwhile, Article 6 of the Regulation of Members of the Board of Governors Number 21/18/Padg/2019 regulates that QRIS must be used in every payment transaction in Indonesia which is facilitated by a QR Payment Code.

regulation of Members of the Board of Governors Number 21/18/Padg/2019 that the basis for cross-border use of QRIS must be based on Cooperation as regulated in Article 19 of Regulation of Members of the Board of Governors Number 21/18/Padg/2019 which states that QRIS Transactions use funding sources and/or The payment instrument as intended in Article 18 can only be made through cooperation between the Payment System Service Provider in the form of an Issuer and/or Acquirer and the party administering the source of funds and/or issuing the payment instrument.

Currently, the use of QRIS in general and cross-border QRIS specifically as a payment and electronic banking service still has a legal void. The use of QRIS is only based on Member of the Board of Governors Regulation Number 21/18/Padg/2019 where transactions are carried out using electronic money which has the same value as money in physical form. Currently there are no legal

regulations that specifically regulate electronic money and QRIS as payment instruments.

### **Discussion**

The growth of technology developed by humans does not stop humans from developing payment systems that are used to make everyday life practical. So with technology, electronic money (E-money) has been created which can be used on electronic media connected to the internet. According to Aulia Pohan, the term payment is usually defined as a transfer of value between two parties. In simple terms, the two parties in question are the buyer and the seller. At the same time there is a movement of goods and services. With this understanding, every economic activity, where there is a movement of goods or services, must involve what is called a payment process. Technological developments as described above have also helped develop payment systems, the technological revolution means that now people can make payments without having to carry money in physical form or in banking terms it is called cash. In the current sociological development of society, people are increasingly using digital money or electronic money to make payments.

The continuous development of electronic payments has made innovation more advanced, which aims to make daily transactions easier in daily life and also provide better security for users and business actors. Several innovations have been made, such as developing the use of barcodes for transactions. The development of technology-based payment systems has significantly changed the architecture of conventional payment systems which rely on physical money as a payment instrument. Even though physical money is still widely used by the world community as a means of payment, in line with the rapid development of payment system technology, cash payment patterns are gradually shifting towards non-cash payments.

Quick Response Code or often abbreviated as QR Code is a two-dimensional barcode introduced by the Japanese company Denso Wave in 1994. The advantage of QR Codes compared to barcodes is the ability of QR Codes to be read horizontally or vertically, the amount of information stored is greater than Bar codes, and the ability to store information such as URL, Text and various types of data, QR Codes used as a payment method were first introduced by the Bank Association in Czech Republic in November 2012.

The characteristic of a QR Code is that it can accommodate large amounts of data. In theory, a maximum of 7089 numeric characters of data can be stored in it, high density (100 times higher than linear symbol code) and fast code reading. QR Code also has other advantages both in terms of performance and function. The Government through Bank Indonesia has issued the National QR Code Payment Standard (Quick Response Code Indonesian Standard) abbreviated as QRIS. QRIS is a QR Code Payment Standard established by Bank Indonesia to be used to facilitate payments in Indonesia.

Quick Response Code Indonesian Standard or usually abbreviated as QRIS (pronounced KRIS) is a combination of various types of QR from various Payment System Service Providers (PJSP) using a QR Code. QRIS was developed by the payment system industry together with Bank Indonesia so that the transaction process using QR Codes can be easier, faster and more secure. All Payment

System Service Providers who will use QR Code Payments are required to implement QRIS.

QRIS consists of the MPM (Merchant Presented Mode) QR Code specification and is supported by the organizer's interconnection specifications. What is meant by the Merchant Presented Mode Method, the merchant displays a QR Code which is then scanned with a cellphone. This method consists of 2 display media, namely:

- a. The QR Code is displayed via a sticker or other print. The same QR Code is used for every payment transaction. The QR Code does not yet contain the nominal payment that must be paid, so it requires input of a nominal amount.
- b. bDynamic QR Code is displayed via a receipt printed by the EDC machine/displayed on the monitor screen. A different QR Code is printed for each payment transaction.

The QR Code contains the nominal payment to be paid. Payment QR Code is a two-dimensional code consisting of three square pattern markers in the lower left corner, upper left corner and upper right corner, has a black module in the form of a square of dots or pixels, and has the ability to store alphanumeric data, characters and symbols, which are used to facilitate contactless payment transactions through scanning. The legal basis for using QR Codes in Indonesia is the Regulation of Members of the Board of Governors Number 21/8/PADG/2019 concerning Implementation of the National Quick Response Code Standard for Payments which is based on:

- a. Bank Indonesia Regulation Number 18/40/PBI/2016 concerning Implementation of Payment Transaction Processing (State Gazette of the Republic of Indonesia of 2016 Number 236, Supplement to the State Gazette of the Republic of Indonesia Number 5945);
- b. Bank Indonesia Regulation Number 19/8/PBI/2017 concerning National Payment Gateway (State Gazette of the Republic of Indonesia of 2017 Number 134, Supplement to the State Gazette of the Republic of Indonesia Number 6081)

Regulation of Members of the Board of Governors No 21/18/PADG/2019 which in article 1 paragraph 4 contains the definition of Quick Response (QR) Code for Payment is a two-dimensional code consisting of three square pattern markers in the lower left corner, upper left corner, and "The top right corner, has the ability to store alphanumeric data, characters and symbols, which are used to facilitate payment transactions in Indonesia." Furthermore, in paragraph 5 there is an understanding of the National QR Code Payment Standard (Quick Response Code Indonesian Standard) which is a QR Code payment standard established by Bank Indonesia to be used to facilitate payment transactions in Indonesia. 14 Regarding the scope of QRIS, it has also been regulated in article 2, namely in paragraph 1 says "Payment QR Code has the main function of displaying the identity of one of the parties in processing payment transactions." And in paragraph 2 of article 2 it says "In processing payment transactions, the payment QR Code is displayed by one of the parties to the transaction and then scanned by the other party.

Benefits from the user side include flexibility in choosing alternative sources of funds and/or payment instruments that can be used to make payments at merchants. From the merchant side, the benefit obtained is increased practicality because only 1 (one) QR Code payment with the QRIS standard is needed to be able to receive payments from various sources of funds and/or different payment instruments. From

an industrial perspective as a whole, QRIS development supports interconnection and interoperability so that it can minimize fragmentation and increase efficiency

### CONCLUSION

The legal status of well-known foreign brands in Indonesia is recognized as brands that were previously registered and have legal standing based on Article 9 of Law No. 20 of 2016 concerning Trademarks and Geographical Indications, which states that brands that have been registered abroad have priority rights to be recognized and registered in Indonesia. Recognition of well-known foreign brands is also based on Article 16 of Minister of Law and Human Rights Regulation No. 67 of 2016 concerning Trademark Registration. Indonesian legal policy regarding the dilution of foreign brands traded on e-commerce has not been specifically regulated in the Trademark Law, but in order to protect foreign brands that have known for brand dilution, Indonesia can use International Intellectual Property Legal Instruments, one of which is through the Paris Convention and the Madrid Protocol which have been ratified through Presidential Decree No. 24 of 1979 concerning ratification of the Paris Convention for the Protection of Industrial Property and Presidential Decree No. 92 of 2017 concerning Ratification of Protocol Relating To The Madrid Agreement Concerning The International Registration of Mark The form of QRIS regulation between countries is an agreement outlined in the form of an MoU cooperation document. There are 5 central banks that have signed, namely Bank Indonesia, Bank Negara Malaysia, Bangko Sentral Pilipinas, Monetary Authority of Singapore, and Bank of Thailand. Currently, its use is only based on a cooperation agreement between Bank Indonesia and the Central Bank of a foreign country or the provision of foreign payments. Regulations for cross-border QRIS use in Indonesia are currently only based on the Regulation of Members of the Board of Governors Number 21/18/Padg/2019 concerning the Implementation of the National Quick Response Code Standard for Payments. Legal Protection for Buyers Regarding the Use of QR Codes as a means of payment is regulated in PBI No. 20/6/PBI/2018, namely Article 43 (1) which shows that publishers are required to apply consumer protection principles. Then Article 42 (2) letter c PBI No. 20/6/PBI/2018 concerning E-money states that issuers are required to have a financial compensation mechanism for users as long as the cause of the loss is not the user's fault. Based on the contents of this article, the issuer can be held responsible as long as the negligence or error was not caused by the e-money user. Meanwhile, if the loss is caused by the user's error or negligence, the issuer cannot be held responsible considering that the position of the electronic money user is as a consumer, not a customer, so this is in the nature of a sale and purchase so the legal relationship is over and claims for loss of the amount on the card due to an incorrect payment transaction are not This can be done because there is no longer a legal relationship between the seller and the buyer after the sale and purchase transaction is carried out.

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