

Legal Analysis TikTok Shop Restrictions through Evaluation Minister Trade Regulation No. 31 2023

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Abstract: This study aims to analyze the legal aspects of restrictions on TikTok Shop in Indonesia through an evaluation of Minister of Trade Regulation No. 31 of 2023. The main focus of this study is to identify the clarity of legal norms governing the social commerce business model, measure the consistency of regulations with the principles of business and consumer protection, and assess the effectiveness of policy implementation in digital trade practices. The method used is a normative legal approach with literature review and case analysis of the closure of TikTok Shop in October 2023 as a concrete illustration of regulatory implementation. The research findings indicate that although these policies are intended to protect the local market and prevent monopolistic practices, there is ambiguity in technical definitions and weak coordination among regulatory agencies, leading to inconsistent implementation. Additionally, the impact on SMEs and consumers highlights the need for more inclusive transition policies and more adaptive legal instruments. This study suggests revising regulations to address the legal challenges posed by technological innovation and to create a fair and sustainable digital trade ecosystem.

Keywords: E-commerce, Digital trade regulation, Tiktok shop

1. Introduction

Since the launch of TikTok Shop as part of its social commerce business model, the platform has rapidly transformed the digital commerce landscape in Indonesia. However, the surge in direct buying and selling activities through social media has raised concerns about unfair competition, particularly for local SMEs.¹ The government responded by issuing Minister of Trade Regulation (MOTR) No. 31 of 2023, which explicitly prohibits social commerce platforms like TikTok Shop from facilitating direct transactions within their electronic systems. The case study of TikTok Shop's closure in October 2023 serves as a critical point in assessing the effectiveness of this regulation, while also opening up space for evaluation regarding consumer protection, business operators, and the sustainability of the national digital ecosystem.²

Previous studies have highlighted the economic and social impacts of TikTok Shop's presence in Indonesia. For example, a study by Asshidqi and Yuliana (2023) shows that the closure of TikTok Shop has a significant impact on the income of online businesses, especially MSMEs that rely on the platform as their main distribution channel. Meanwhile,

¹ Saffana Azzahra and Zahry Vandawati Chumaida, "Pertanggungjawaban Hukum Terhadap Kerusakan Barang Dalam Proses Pengangkutan Yang Di Beli Melalui Tiktok Shop," *JlIP - Jurnal Ilmiah Ilmu Pendidikan* 6, no. 2 (2023): 1092–99, <https://doi.org/10.54371/jlIP.v6i2.1643>.

² Widadatul Ulya, "Perlindungan Hukum Bagi Pelaku Usaha Pada Transaksi Bisnis Social Commerce Tiktok Shop (Perspektif Hukum Positif Dan Hukum Islam)," *Journal of Indonesian Comparative of Syari'ah Law* 6, no. 1 (2023): 18–34, <https://doi.org/10.21111/jicl.v6i1.9746>.

Prasiska et al. (2023) emphasize that TikTok Shop offers opportunities for increased product visibility and sales, but also poses challenges for SMEs that are not yet ready for digital transformation. These studies generally focus on economic aspects, consumer behavior, and business adaptation to technological changes.

Unlike previous studies, this research focuses on legal analysis of restrictions on TikTok Shop in the context of evaluating Minister of Trade Regulation No. 31 of 2023. The primary focus is on the clarity of legal norms, the consistency of regulations with principles of business and consumer protection, and the legal implications for the future of social commerce business models.³ Using a normative approach and case studies, this research aims to address a gap in existing studies, namely how digital regulations in Indonesia can address the challenges of technological innovation without hindering the growth of an inclusive and fair digital economy.⁴

The integration between social media platforms and e-commerce requires a review of conventional legal norms. Digital transformation demands a more dynamic and responsive legal approach to changes in the global economic environment. In this context, MOT 31/2003 is one example of regulatory adaptation to the rapidly growing phenomenon of social commerce in Indonesia.⁵ This study shows that although there are many studies related to e-commerce regulation, few specifically examine restrictions on TikTok Shop from a legal perspective. Therefore, this study is expected to fill this gap by thoroughly examining the legal basis, background, and policy implications of MOT 31/2020.⁶

Although the TikTok Shop controversy has reached an administrative resolution, this research remains relevant because it touches on fundamental aspects of digital trade regulation that are dynamic and constantly evolving. Permendag No. 31/2023 not only responds to TikTok Shop on a temporary basis, but also establishes a legal framework for all social commerce practices going forward. An evaluation of this regulation is important to determine whether the imposed restrictions align with principles of fairness, legal certainty, and protection for local businesses particularly SMEs that were directly impacted by this policy. Another urgency lies in the need for adaptive and anticipatory legal foundations for digital business models that are constantly metamorphosing. TikTok Shop may already be restricted, but the potential for similar platforms with new strategies to emerge remains. This research can serve as an academic tool to identify legal loopholes, regulatory overlaps, and normative gaps that could be exploited by market actors. Additionally, the findings of this study can provide insights for policymakers to develop regulations that are not only reactive but also oriented toward sustainability and the welfare of the national digital economy.

This study uses a normative juridical approach with a literature review method. This method was chosen because the main focus of the study is the analysis of normative texts

³ Roy Eka Perkasa, Nyoman Serikat P, and Bambang Eko Turisno, "Perlindungan Hukum Pidana Terhadap Konsumen Dalam Transaksi Jual/Beli Online (E-Commerce) Di Indonesia," *Diponegoro Law Journal* 5, no. 4 (2016): 3, <https://ejournal3.undip.ac.id/index.php/dlr/article/view/13361>.

⁴ Nura Anggraeny et al., "Website: <https://j-innovative.org/index.php/Innovative> Studi Literatur: Potensi Kerugian Akibat Social Commerce Tiktok Shop," *INNOVATIVE: Journal Of Social Science Research* 4 (2024): 3109–17, <https://j-innovative.org/index.php/Innovative>.

⁵ Dzacky Agustian Anhar and Shelly Kurniawan, "Ketidakpastian Hukum Dalam Kembalinya Tiktok Shop Sebagai Platform Social Commerce Di Indonesia," *Maret* 6, no. 3 (2024): 8963, <https://review-unes.com/https://creativecommons.org/licenses/by/4.0/>.

⁶ Adeline Lo et al., "Analisis Keadilan Distributif Bagi Pelaku UMKM Yang Melakukan Perjanjian Jual-Beli Secara Offline Atau Online Pada TikTok," *Proceeding of Conference on Law and Social Studies*, 2023, <http://prosiding.unipma.ac.id/index.php/COLaS>.

and legal documents, including Minister of Trade Regulation No. 31 of 2023, Law No. 7 of 2014 concerning Trade, as well as scientific literature related to trade and e-commerce. This study aims to analyze the legal aspects of restrictions on TikTok Shop in Indonesia through an evaluation of Minister of Trade Regulation No. 31 of 2023.

2. Method

This study uses a normative juridical approach with a literature review method. This method was chosen because the main focus of the study is the analysis of normative texts and legal documents, including Permendag No. 31 of 2023, Law No. 7 of 2014 concerning Trade, as well as scientific literature related to trade and e-commerce. The methodological steps taken are as follows: The use of the literature review method allows researchers to obtain a comprehensive picture of the legal context and socio-economic dynamics behind the policy of Minister of Trade Regulation No. 31 of 2023. The data and information collected are analyzed systematically with reference to contemporary legal theories and previous research results.

3. Results and Discussion

3.1. Implementation of Minister of Trade Regulation No. 31 of 2023 in the Closure of TikTok Shop

The closure of TikTok Shop in October 2023 was a direct response to Minister of Trade Regulation No. 31 of 2023, which prohibits social commerce platforms from facilitating direct transactions ⁷. The government believes that the integration of social media and e-commerce has the potential to lead to monopolistic practices and harm local businesses, especially MSMEs. This move marks a paradigm shift in the regulation of digital commerce. However, the implementation of this policy has not been smooth. TikTok Shop temporarily resumed operations through a new entity acquired by Tokopedia, known as TikTok Shop by Tokopedia. Although this entity is formally separate from the TikTok social media platform, many parties believe that technical and functional integration still exists, raising questions about compliance with regulations.⁸

The Ministry of Trade stated that the acquisition did not violate the law because the new entity was subject to PMSE regulations. However, the Ministry of Cooperatives and SMEs considered that TikTok Shop still violated the rules because the shopping feature remained integrated into the social media application. This difference in interpretation shows the weak coordination between agencies in enforcing digital law.⁹ Starting from the legal issues that have arisen due to the restrictions on TikTok Shop through Ministry of Trade Regulation No. 31 of 2023, a practical solution that can be offered is the development of more technical and adaptive subsidiary regulations that align with the dynamics of social commerce. The government needs to develop operational guidelines that clarify the

⁷ Sulasi Rongiyati, "Pelindungan Konsumen Dalam Transaksi Dagang Melalui Sistem Elektronik (Consumer Protection in E-Commerce)," *Negara Hukum: Membangun Hukum Untuk Keadilan Dan Kesejahteraan* 10, no. 1 (2019): 1–25, <https://doi.org/10.22212/jnh.v10i1.1223>.

⁸ Muhammad Noor Ardiansah, Asmaul Azizah, and Afiat Sadida, "Social Commerce Success Impact on Business Performance Insight From TikTok Shop Phenomena in Indonesia," *Accounting Analysis Journal* 13, no. 1 (2024): 25–33, <https://doi.org/10.15294/aaj.v13i1.2778>.

⁹ Universitas Airlangga, "IMPLEMENTATION OF SOCIAL-COMMERCE AND PERSONAL DATA" 6, no. 4 (2025): 1–24.

boundaries between promotions and transactions, as well as oversight mechanisms that are not only repressive but also educational for digital businesses. This is important to ensure that regulations do not create legal ambiguity and can be consistently applied by various platforms, including those that will emerge in the future. In addition, a consultative forum between regulators, business actors, and academics needs to be established to evaluate the impact of policies on a regular basis. This forum can be a platform for conveying the aspirations of MSMEs, identifying legal loopholes, and formulating more inclusive and sustainable policy recommendations. With this participatory approach, regulations will not only serve as a restrictive tool, but also as an instrument for empowering the national digital economy.

Research by Dzacky and Shelly (2024) reveals that TikTok Shop does not yet have a license as a social commerce platform in accordance with applicable regulations. This legal uncertainty poses risks for consumers and businesses, particularly in terms of legal protection for transactions conducted. In the event of a dispute, users' legal position becomes weak. From the business perspective, the closure of TikTok Shop directly impacts revenue and market access. A study by Asshidqi and Yuliana (2023) shows that SMEs active on TikTok Shop experienced a revenue decline of up to 40%. This indicates that restrictive policies need to be balanced with transition strategies and digital support.¹⁰

Normatively, Ministerial Regulation No. 31 of 2023 revokes Ministerial Regulation No. 50 of 2020 and introduces a new definition of social commerce. However, there is no clear mechanism to accommodate hybrid business models such as TikTok Shop. This creates a legal interpretation gap that needs to be further examined.¹¹ The closure of TikTok Shop serves as an important case study in assessing whether regulations can uphold business fairness without hindering innovation and economic inclusion.¹² The government must strike a balance between protecting the local market and adapting to the global digital economy.

Ministry of Trade Regulation No. 31 of 2023 not only prohibits direct transactions on social commerce platforms, but also regulates business licensing, advertising, guidance, and supervision of business actors in electronic trading systems (PMSE). Platforms like TikTok Shop are required to have a business license as an E-Commerce operator, not just as a social media service provider. In practice, TikTok Shop only has a license as a Foreign Trade Company Representative Office (KP3A), which does not cover trading activities. The implementation of this regulation also poses challenges for coordination among government agencies. The Ministry of Trade emphasizes that social commerce should only facilitate promotions, not transactions, while the Ministry of Cooperatives and SMEs highlights the negative impact on SMEs and demands stricter enforcement of the law. These differing interpretations underscore the need for policy harmonization and institutional strengthening in regulating digital commerce.¹³

¹⁰ Amalia Rizky and A A A N Sri Rahayu Gorda, "Tinjauan Yuridis Hukum Pidana Indonesia Dalam Mengatur Perlindungan Hukum Terhadap Transaksi Online (E-Commerce)," *Jurnal Analisis Hukum (JAH)* 2, no. 1 (2019): 2620–3715, <http://journal.undiknas.ac.id/index.php/JAH/index>.

¹¹ Uly Alfinda Salsabila, *Legal Protection of MSMEs in the Digitalisation Era According to the Minister of Trade Regulation No. 31 of 2023* (Atlantis Press SARL, 2024), <https://doi.org/10.2991/978-2-38476-315-3>.

¹² Haris Budiman, "IMPLIKASI HUKUM PERLINDUNGAN HAK KEKAYAAN INTELEKTUAL (HKI) TERHADAP DAYA SAING PRODUK UMKM DI PASAR DIGITAL" 1, no. 1 (2024): 61–72.

¹³ E-commerce Komalasari, "From Social Media to E-Commerce: The Legal Implications of Minister of Trade Regulation Number 31 of 2023 on the Separation of Social Media and E-Commerce," no. 31 (2025): 114–22.

From a technical standpoint, TikTok Shop attempted to adapt by shifting its operations through a new entity resulting from a partnership with Tokopedia. However, the integration of systems between TikTok and Tokopedia still raises questions about regulatory compliance.¹⁴ Many parties believe that even though the legal entities are separate, the user experience still shows the existence of electronic system interconnectivity, which is prohibited by the Ministry of Trade Regulation. The closure of TikTok Shop also impacts consumers who have grown accustomed to making direct transactions through the platform. The previously integrated shopping feature has been removed, forcing users to seek alternative options for shopping.¹⁵ This demonstrates that regulations not only affect businesses but also alter consumer behavior and preferences within the digital ecosystem.

From a legal perspective, Ministerial Regulation No. 31 of 2023 revokes the previous regulation, Ministerial Regulation No. 50 of 2020, and introduces a new definition of social commerce and restrictions on its activities. However, there is no adequate oversight mechanism to ensure that platforms consistently comply with these provisions.¹⁶ Weak oversight risks creating legal loopholes that large businesses could exploit to circumvent regulations. Overall, the implementation of Ministry of Trade Regulation No. 31 of 2023 and the closure of TikTok Shop reflect the government's efforts to reorganize the digital commerce ecosystem.¹⁷ However, the success of these regulations depends heavily on consistent enforcement, inter-agency coordination, and the readiness of businesses to adapt. The government must ensure that regulations are not only restrictive but also support innovation and sustainable digital economic inclusion.¹⁸

3.2. Legal Uncertainty and Juridical Challenges in the Social Commerce Model

Ministry of Trade Regulation No. 31 of 2023 stipulates that social commerce platforms may only conduct promotions, not transactions. However, in practice, TikTok Shop continues to provide checkout and payment features, raising suspicions of legal violations.¹⁹ This highlights a discrepancy between legal norms and technical implementation in the field. This legal uncertainty is exacerbated by the lack of a clear technical definition of “electronic system interconnection.” Platforms like TikTok Shop can claim that transactions are

¹⁴ Aris Priyadi, “Perlindungan Hukum Terhadap Konsumen Dalam Transaksi Jual Beli Secara Online,” *Wijayakusuma Law Review* 4, no. 1 (2022): 40–60, <https://doi.org/10.51921/wlr.v4i1.196>.

¹⁵ Wahyu Ikke et al., “Penutupan Tiktok Shop Di Indonesia Analysis of Public Opinion on the Regulation of the Minister of Trade of the Republic of Indonesia Number 31 of 2023 Concerning the Closure of Tiktok Shop in Indonesia” 13, no. 3 (2024): 617–27, <https://doi.org/10.31289/perspektif.v13i3.11054>.

¹⁶ Fandhy Achmed Belkaoui Thesia and Daniel Tumpal Hamonangan Aruan, “The Effect of Social Presence on the Trust and Repurchase of Social Commerce Tiktok Shop Users,” *Journal of Social Research* 2, no. 10 (2023): 3776–85, <https://doi.org/10.55324/josr.v2i10.1471>.

¹⁷ Fakultas Hukum et al., “Pemenuhan Hak Pekerja Host Live Streaming Tiktok Shop Dalam Economy Gig Fitria Amesti Wulandari * Andi Sitti Ainy Nur Alifah PENDAHULUAN Gig Worker Sejatinya Telah Mengalami Ekspansi Yang Besar Dalam Dunia Kerja Secara Global Saat Ini . Lonjakan Pengguna,” no. November 2024 (2025): 121–48.

¹⁸ Jaslin Dhabitah and Khairul Anwar Mohd Nor, “Analisis Pencabutan Izin Komersial Tiktok: Rekomendasi Ekonomi Digital Indonesia,” *Jurnal Magister Ekonomi Syariah* 2, no. 2 Desember (2024): 49–64, <https://doi.org/10.14421/jmes.2023.022-03>.

¹⁹ Hayatun Nufus and Trisni Handayani, “Strategi Promosi Dengan Memanfaatkan Media Sosial Tiktok Dalam Meningkatkan Penjualan (Studi Kasus Pada TN Official Store),” *Jurnal EMT KITA* 6, no. 1 (2022): 21–34, <https://doi.org/10.35870/emt.v6i1.483>.

conducted by separate entities, thereby not violating regulations. This opens up room for interpretation that can be exploited to avoid legal obligations.²⁰

Research by Aufani et al. (2024) shows that consumer protection in TikTok Shop transactions remains weak, particularly regarding dispute resolution and product information transparency. Many consumers experience product discrepancies but lack clear legal mechanisms to file lawsuits or seek mediation. From a legal perspective, the normative approach in Minister of Trade Regulation No. 31 of 2023 does not fully address the complexity of digital business models. Regulations that are prohibitive in nature have not been accompanied by adequate oversight and enforcement mechanisms. This creates a disparity between legal norms and legal reality. The Ministry of Cooperatives and SMEs states that TikTok Shop is still violating the rules, while the Ministry of Trade is granting operational tolerance during the transition period. The differing stances between agencies highlight the lack of coordination and consistency in enforcing digital regulations.²¹

In the context of competition law, TikTok Shop has been accused of engaging in predatory pricing and market monopoly practices. However, there have been no firm legal actions taken by the Competition Supervisory Commission (KPPU).²² This indicates that regulations have not been able to effectively address digital business practices, and this legal uncertainty impacts the confidence of businesses and consumers in the legal system. Without certainty and consistency, digital regulations risk becoming ineffective tools in regulating the e-commerce ecosystem.

The Indonesian government's goal in banning social commerce platforms such as TikTok Shop is to prevent business monopolies that could harm MSME players and also to prevent the emergence of platforms that have the ability to control the market, set unfair prices, treat players differently, and set discriminatory prices based on the data they possess.²³ Therefore, the Indonesian government has officially banned buying and selling activities, or e-commerce, through social media platforms such as TikTok Shop.²⁴ This study is important for understanding the legal protection provided to SMEs in electronic commerce (PMSE) in Indonesia.

Another challenge arises in the area of licensing. TikTok Shop operated without a license as a PMSE organizer, only holding the status of a Foreign Trade Company Representative Office (KP3A). This highlights the weakness of the verification and oversight system for digital platforms operating across sectors.²⁵ When business licenses do not reflect actual practices, legal protection for consumers and businesses becomes ineffective. Legal

²⁰ Rico Januar et al., "Perlindungan Hukum Terhadap Umkm Di Tengah Persaingan Pasar Yang Terus Berkembang," *Jurnal Media Akademik (JMA)* 2, no. 1 (2024): 1661–79.

²¹ Achmad Barlian, Noermina Rossya, and Novianita Rulandari, "Analisis Strategi Sosialisasi Pajak Atas Transaksi Perdagangan Melalui Sistem Elektronik (Pmse) Sebagai Upaya Optimalisasi Penerimaan Pajak," *Jurnal Pajak Vokasi (JUPASI)* 3, no. 1 (2021): 11–15, <https://doi.org/10.31334/jupasi.v3i1.1924>.

²² Mohamad Rivaldi Moha, Sukarmi, and Afifah Kusumadara, "The Urgency Of Electronic System Registration For E-Commerce Entrepreneurs," *Jambura Law Review* 2, no. 2 (2020): 101–19, <https://doi.org/10.33756/jlr.v2i2.5280>.

²³ Febi Fatlika Nurussufiah et al., "Penerapan Media Sosial Sebagai Media Pemasaran Online Di Era Globalisasi," *DEVELOPMENT: Journal of Community Engagement* 1, no. 2 (2022): 92–108, <https://doi.org/10.46773/djce.v1i2.329>.

²⁴ Nurlinda, "Regulation of the Minister of Trade No. 31 of 2023 on E-Commerce Business on the Tiktok Platform (An Analysis of Sharia Economic Law)" 3, no. 2 (2016): 1–23.

²⁵ Ulvia, "ANALISIS KEBIJAKAN PEMERINTAH BERDASARKAN PERMENDAG NOMOR 31 TAHUN 2023 MENUTUP TIKTOK SHOP DALAM UPAYA" 01, no. 01 (2024): 1–7.

uncertainty also impacts the enforcement of competition law. Practices such as predatory pricing and market dominance by large platforms are not fully covered by Law No. 5 of 1999, as it has not adopted the principle of extraterritoriality and lacks specific instruments for the digital market. The Competition Supervisory Agency (KPPU), as the competition oversight body, faces limitations in addressing violations occurring in the digital realm, especially when businesses operate outside national jurisdiction.²⁶

From a consumer protection perspective, the unclear legal status of social commerce platforms weakens the position of consumers in disputes. When transactions are conducted through systems that are not legally recognized, consumers find it difficult to access complaint or compensation mechanisms.²⁷ This shows that digital regulations must guarantee legal certainty not only for businesses but also for end users. Conceptually, the social commerce model requires a more flexible and adaptive legal approach. Sectoral and fragmented regulations are no longer adequate to regulate a digital ecosystem that is cross-functional and cross-platform. Therefore, legal reforms are needed that integrate aspects of technology, consumer protection, business competition, and data governance into a comprehensive legal framework.²⁸

Legal uncertainty in the social commerce model is not only a technical issue, but also reflects the lag in regulations in responding to innovation. Without progressive legal reforms, Indonesia risks losing momentum in building an inclusive and equitable digital economy. Regulations must be able to facilitate innovation, not merely serve as rigid and reactive tools. In the context of a dynamic digital economy, the social commerce model demands adaptive, progressive, and ecosystem-based regulations. Therefore, legal updates are needed that are not merely prohibitive but also capable of constructively embracing technological transformation. Digital regulations in Indonesia must shift from a repressive approach toward a facilitative and integrative one to create inclusive, equitable, and sustainable digital commerce.

3.3. Legal Implications for Consumer Protection and MSMEs

One of the main objectives of Permendag No. 31 of 2023 is to protect consumers and MSMEs from unfair trade practices. However, the closure of TikTok Shop has created new vulnerabilities for small businesses that have lost market access and income. This creates a dilemma between protection and empowerment. TikTok Shop provides opportunities for market expansion and the empowerment of women entrepreneurs. This platform enables direct interaction with consumers through creative content and live streaming, which enhances product loyalty and visibility.²⁹ Restrictions on these features could hinder innovation and digital inclusion.

However, without clear regulations, SMEs also risk being trapped in a system that does not provide legal protection. For example, if TikTok Shop is not subject to the Consumer

²⁶ Reynaldi, "Shop Social Commerce With Tokopedia E-Commerce and the Impact" 3, no. 7 (2024): 514–21.

²⁷ Regina Lumentut, "Perlindungan Hukum Terhadap Konsumen Atas Pengiriman Barang Tidak Sesuai Pesanan Dalam Transaksi Jual Beli Online Melalui Aplikasi Tiktok Shop," *Lex Administratum*, 2023.

²⁸ Sandy Victor Hukunala and Retsky Timisela, "Implementation Permendag 31/2023 to Prohibition Social-Commerce on the Income of MSEs in Kota Ambon," *Journal Equity of Law and Governance* 5, no. 1 (2024): 13–19, <https://www.ejournal.warmadewa.ac.id/index.php/elg>.

²⁹ Aida Nur Hasanah, Uswatun, and Cahaya Permata, "Analisis Yuridis Penerapan Peraturan Kementerian Perdagangan Nomor 31 Tahun 2023 Tentang Ketentuan Perizinan Usaha Pmse," *Journal of Science and Social Research* VII, no. 2 (2024): 393–99.

Protection Law and the ITE Law, then businesses have no guarantees regarding data, transactions, and other legal rights.³⁰ Research by Hidayanti et al. (2024) shows that TikTok Shop influences the consumptive behavior of teenagers and creates impulsive shopping patterns. This indicates that regulations need to address consumer education and digital literacy to ensure transactions are conducted in a healthy and responsible manner.

From a legal perspective, consumer protection in digital transactions still relies on litigation and non-litigation mechanisms that are not yet optimal. Many consumers are unaware of their rights or lack access to efficient dispute resolution mechanisms.³¹ The government needs to design transition policies that support SMEs in migrating to platforms that comply with regulations. Additionally, there needs to be inclusive legal education and digitalization so that small businesses can adapt to regulatory changes without losing their competitiveness. Integration between trade regulations and consumer protection is key to building a fair and sustainable digital ecosystem. Without policy synergy, legal protection will remain a norm without practical application.³²

Then, Permendag No. 31 of 2023 in legal theory, in this case as a legal state that regulates society that has interests and needs, with many different interests and needs among the community so that laws are needed to regulate differences in interests, so that the interests of each community are not harmed by the law. The author argues that Ministry of Trade Regulation No. 31 of 2023 cannot yet be used as a means to achieve social justice because justice and equality are not realized in society, especially since this regulation governs trade, and the absence of justice and equality only burdens one party in conducting trade. Regarding the function of law as a means of dispute resolution, the author's opinion is that Ministry of Trade Regulation No. 31 of 2023 is not yet capable of resolving disputes.³³

Overall, although the initial objective of this policy is to protect national interests and consumers, its long-term impacts must be anticipated through supporting policies that can balance protection and innovation. The government is urged to conduct regular evaluations and engage all stakeholders in constructive dialogue to ensure the implementation of the regulation runs optimally without hindering the development of the digital industry.³⁴

4. Conclusion

This study shows that the restriction of TikTok Shop through Ministry of Trade Regulation No. 31 of 2023 is a strategic effort by the government to regulate the rapidly growing digital commerce ecosystem. This step reflects a policy orientation toward protecting local businesses and consumers, but it still leaves serious challenges in terms of

³⁰ Fernando Tantar, Teng Berlianty, and Sarah Selfina Kuahaty, "Perlindungan Hukum Pelaku Usaha Lelang Tiktok Shop Atas Tindakan Bid and Run," *PAMALI: Pattimura Magister Law Review* 3, no. 1 (2023): 73, <https://doi.org/10.47268/pamali.v3i1.1382>.

³¹ Jual Beli, Tas Branded, and Via Tiktok, "Law , Development and Justice Review Analisis Hambatan Dan Solusi Perlindungan Hukum Konsumen Dalam Law , Development and Justice Review," *Law, Development and Justice Review* 6, no. 1 (2023): 1–15.

³² Roberto Ranto, "Tinjauan Yuridis Perlindungan Hukum Terhadap Konsumen Dalam Transaksi Jual Beli Melalui Media Elektronik," *Jurnal Ilmu Hukum: ALETHEA* 2, no. 2 (2019): 145–64, <https://doi.org/10.24246/alethea.vol2.no2.p145-164>.

³³ Rizki Tri Sulam and Muhammad Iqbal Fasa, "Inflasi : Jurnal Ekonomi , Manajemen Dan Perbankan TikTok Shop Sebagai Inovasi Social Commerce : Analisis Pengalaman Pengguna , Kepuasan Konsumen , Dan Inflasi : Jurnal Ekonomi , Manajemen Dan Perbankan" 2 (2025): 97–106.

³⁴ Jemmy Sondakh and Grace H Tampongangoy, "1 2 3 4" 13, no. 4 (2024): 693–705.

implementation and legal certainty. On one hand, the closure of TikTok Shop serves as an important case study on how regulations respond to technological disruption and the transformation of digital business models. On the other hand, legal ambiguity, inconsistencies among institutions, and the lack of oversight mechanisms weaken the effectiveness of the policy. This uncertainty not only impacts businesses but also erodes consumer confidence in the existing digital legal system. MSMEs, as the backbone of the digital economy, are the group most affected by these restrictions. Without concrete transition and empowerment strategies, restrictions on TikTok Shop have the potential to create new vulnerabilities in product distribution, market access, and legal protection for small businesses. Similarly, consumers do not yet have effective and accessible dispute resolution channels. Therefore, digital regulations in Indonesia need to be designed in a more adaptive, progressive, and inclusive manner. Regulations should not only function as restrictive tools but also as a facilitative framework that can drive innovation while maintaining business fairness and consumer rights. Synergy between policies, regulatory harmonization, and multi-stakeholder involvement are key to creating a fair and sustainable e-commerce governance framework. This conclusion underscores the urgency of updating the legal approach to the social commerce model so that Indonesia can navigate the digital era with high competitiveness and a human-centered protection orientation. Regulations must not lag behind technological realities but should instead serve as transformative tools that are both powerful and forward-thinking.

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