

Legal Protection For Consumers In Non-Fungible Token Land Transaction Based On Law Number 4 of 2023

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Abstract: The development of digital technology has enabled the emergence of Non-Fungible Tokens (NFTs) as digitally authenticated assets recorded on blockchain networks, including their use in representing ownership of digital land within metaverse ecosystems. However, Indonesia has not yet formulated explicit regulatory provisions governing the legal classification of NFTs, the scope of supervisory authority, or the standards for consumer protection. This regulatory absence results in legal ambiguity regarding the placement of NFTs within the framework of Financial Sector Technology Innovation (ITSK) under Law No. 4 of 2023, and simultaneously presents risks to consumers, including fraud, data misuse, loss of access to digital assets, and a lack of clear accountability mechanisms on NFT platforms. This research examines the legal status of NFTs in relation to ITSK and analyzes the adequacy of current consumer protection measures in NFT-based digital land transactions. Through a normative juridical method, the study finds that NFTs have not been formally classified within ITSK, nor assigned to a definitive supervisory authority, whether OJK or Bappebti. As such, consumer protection remains reliant on general norms under Law No. 8 of 1999, which are insufficient to address the specific risks inherent in NFT transactions. This research recommends the issuance of derivative regulations by OJK and/or Bappebti to clarify NFT classification, establish platform obligations, and strengthen consumer protection.

Keywords: Consumer protection, Non-fungible token, Digital Land

1. Introduction

The development of digital technology 4.0 has brought about major transformations in various aspects of people's lives, including in the property transaction sector. Significant advances in technology have led to the digitization of the economy and many transactions in the economic field. These advances have also brought about new concepts such as cryptocurrency, metaverse, and NFT.¹ One of the latest innovations is the use of Non-Fungible Tokens (NFTs) as a means of investment. The term NFT refers to digital assets that are non-fungible in nature in the economy.² In addition, each NFT is unique and equipped with an identification code through metadata that stores specific information about the asset. As a result, NFTs cannot be exchanged.³ Since each cryptocurrency does not have

¹ Muhammad Alief Bayu Syahputra and Rahandy Rizki Prananda. (2023). Aturan Non Fungible Token (NFT) Dalam Hukum Di Indonesia. *UNES Law Review*, 6(1),1799–1806. <https://doi.org/10.31933/unesrev.v6i1>

² Muhammad Alief Bayu Syahputra and Rahandy Rizki Prananda.

³ Damia Liana. 2022. Diversifikasi Ekspor Sebagai Salah Satu Isu Transformasi Struktural," *Ekonomi Dan Keuangan Budget Issue Brief*, 2(1).

a specific code for NFTs like other cryptocurrencies do, the unique concept of NFTs makes NFT tokens unique and exchangeable.⁴

In Indonesia, NFT transactions show interesting potential, especially in terms of digital asset collection and trading. These transactions are experiencing rapid growth in line with global developments and an increase in the number of NFT investors. This is evident in the proliferation of local trading platforms that are planning or have already introduced NFT transaction services, such as Enevti, Kolektibel, Paras.id, Baliola, Artsky, and Tokomall owned by Tokocrypto.⁵ The purchase of digital land or digital land transactions are carried out on several platforms such as Sandbox and Decentraland.⁶ Digital land is a representation of ownership of a virtual space within a digital ecosystem such as the metaverse, which has a deed and only exists in the digital world. Ownership of these digital assets is demonstrated through unique and non-exchangeable non-fungible tokens (NFTs), as they have units of information on the blockchain that represent these unique digital assets. Digital land is used to build, interact, and do business. It can be bought, sold, and leased like real-world property to generate income or build virtual businesses on it, such as online stores, virtual events, digital art displays, or social spaces for communities. In the current development of the digital economy, digital land is not only seen as a virtual space for interaction, but has evolved into a high-value economic object.⁷ Like physical property, digital land can be bought, sold, leased, or used as a promising investment asset. Its value is determined by its scarcity, strategic location within the metaverse platform, and the commercial potential of the virtual space.

Purchases and sales of virtual land in the metaverse can be made using cryptocurrency as a payment instrument, which will be processed through the Metamask digital wallet using Blockchain technology, ensuring that every transaction is recorded transparently and accountably.⁸ The position of consumers in these digital land transactions is as legal subjects who own the virtual land and have the right to protection as owners of digital assets. Even though the transactions are carried out in the virtual world, consumers are still entitled to legal protection to prevent losses or errors such as fraud, misuse of personal data, or concealment of information. In Indonesia itself, enthusiasm for NFTs is increasing, as evidenced by the emergence of various local marketplaces such as Paras.id, Tokomall, Kolektibel, and Enevti, Baliola, Artsky, and Tokomall owned by Tokocrypto. Tokomall noted that from August 2021 to the end of the year, they had more than 10,000 collectors, 60 official partners, and more than 8,000 NFT assets.⁹ Many Indonesians, including community leaders and government officials, continue to play an active role in supporting and promoting NFT trading. Interest in NFTs, which are essentially digital artworks recorded on blockchain technology but have high selling value, continues to grow. This is because anyone can easily access these digital artworks for free on the internet. However, amid this growth, crucial legal issues have arisen, particularly the lack of specific regulations regarding NFT-based digital land transactions, both in terms of legal validity, consumer protection,

⁴ I Putu Rasmadi Arsha Putra Gede Paramhansa Yogananda. 2025. Perlindungan Hukum Terhadap Konsumen Atas Jual Beli Non-Fungible Token (NFT) Melalui Smart Contract. *Mister: Journal of Multidisciplinary Inquiry in Science, Technology and Educational Research*, 2(1), 1564–2580. <https://doi.org/10.32672/mister.v2i1b.2933>

⁵ Liana, “Diversifikasi Ekspor Sebagai Salah Satu Isu Transformasi Struktural.”

⁶ Humas, “Perkembangan Perusahaan Metaverse Di Indonesia Kian Pesat Dan Berpengalaman,” STMIK Triguna Dharma, 2024, <https://trigunadharma.ac.id/detail/perkembangan-perusahaan-metaverse-di-indonesia-kian-pesat-dan-berpengalaman>.

⁷ Rizki Nurul Nugraha and Farrah Puspita F, “Metaverse Peluang Atau Ancaman Bagi Umkm Di Indonesia Pada Sektor Industri Pariwisata,” *Jurnal Ilmiah Wahana Pendidikan* 9, no. 9 (2023): 395–405.

⁸ Amalia Rizqina Hamidah Azzahra, “Analisis Transaksi Jual Beli Objek Tanah Virtual Metaverse Perspektif Hukum Positif Dan Fiqih Muamalah,” 2023.

⁹ Liana, “Diversifikasi Ekspor Sebagai Salah Satu Isu Transformasi Struktural.”

and jurisdictional clarity. In these transactions, consumers are potentially vulnerable to fraud, non-transparent information, or loss of digital access without clear recovery mechanisms.

Under the laws and procedures enforced in Indonesia, parties purchasing goods or services in NFT-based digital land transactions remain protected through general principles in Law No. 8 of 1999 concerning Consumer Protection and Law No. 4 of 2023 concerning Development and Strengthening of the Financial Sector and other laws, particularly those related to the right to information, electronic transaction security, and personal data protection. However, this protection is still limited due to the absence of specific regulations on NFTs and challenges of international jurisdiction.¹⁰ Law Number 4 of 2023 concerning the development and strengthening of the financial sector has introduced the concept of financial sector technology (ITSK), which is explained in Article 1 point 34, stating that ITSK is technology-based innovation that has an impact on products, service activities, and business models in the digital financial system.¹¹ This includes digital assets and blockchain-based financial technology. However, in the context of NFTs and digital land, its application still faces legal interpretation obstacles because the objects being traded are virtual and cross-border. In addition, the absence of derivative regulations that technically regulate consumer protection in the digital asset sector further increases the potential for losses that are not legally protected.

As in previous research discussing "Perlindungan Hukum Terhadap Konsumen Atas Jual Beli Non-Fungible Token (NFT) Melalui Smart Contract" which focused on electronic contracts and the validity of smart contracts as a legal basis and consumer protection based on contractual mechanisms rather than Law No. 4 of 2023. Another research discussed "Aturan Non Fungible Token (NFT) dalam Hukum di Indonesia," which focused on the general legal status of NFTs and did not specifically address digital land transactions. It examined whether NFTs can be categorized as legal objects according to the Civil Code. Based on previous research, the researchers wanted to focus on assessing the legal position of NFTs within the ITSK framework as digital assets and consumer protection in NFT based digital land transactions. Previous research discussed consumer protection in NFT sales and purchases through smart contracts, but was limited to contractual aspects and did not examine NFTs as digital assets in the metaverse ecosystem. Unlike previous research, this study specifically analyzes the position of NFTs as digital assets in the Financial Sector Technology Innovation (ITSK) based on Law 4/2023 and the form of legal protection for consumers in digital land transactions. Thus, this study is novel in terms of its analysis of ITSK regulations on NFTs and the need for the OJK/Bappebti to formulate derivative regulations, which has not been discussed in previous studies.

In view of this phenomenon, the author wishes to further examine the position of NFTs as digital assets within the legal framework of Financial Sector Technology Innovation according to Law No. 4 of 2023, as well as the form of legal protection for consumers in the growing NFT-based land transactions. This study is expected to contribute academic and practical in formulating the direction of adequate legal protection for consumers in the digital economy era.

¹⁰ Makmur Khausan et al., "Copyright Protection in the NFT Ecosystem: Legal Challenges and Policy Recommendations for Indonesia," *Jurnal Ilmu Hukum Dan Sosial* 3, no. 1 (2025): 1052–71, <https://doi.org/10.51903/hakim.v3i1.2299>.

¹¹ Republik Indonesia, "Undang-Undang Republik Indonesia Nomor 4 Tahun 2023 Tentang Pengembangan Dan Penguatan Sektor Keuangan," 1 Negara Republik Indonesia § (2023).

2. Method

The method used in this study is normative juridical with a regulatory approach and a conceptual approach. The regulatory approach was used by analyzing laws, particularly Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector and Law No. 8 of 1999 concerning Consumer Protection related to the issues in this study. Meanwhile, the conceptual approach was carried out by discussing various perspectives, opinions, or teachings related to consumer protection in digital transactions, including academic literature and the opinions of legal experts discussing financial technology, blockchain, and *Non-Fungible Tokens*. This research emphasizes a literature study using laws as primary sources and secondary sources in the form of scientific papers, books, journals, and internet news that support this research.

3. Results and Discussion

3.1 The Position of Non-Fungible Tokens (NFTs) as Digital Assets in the Scope of Financial Sector Technology Innovation (ITSK)

In today's era of digitalization, technological developments and advances are very important factors in various industries, especially in the economic sector, where one of the developments is that investments no longer have to be physical, but can take the form of metadata or *virtual* assets, one of which is virtual land based on *Non-Fungible Tokens*, commonly abbreviated as *NFTs*. Technically, *NFTs* are a type of digital token that stores data in a blockchain and represents the digital assets associated with the token. To put it simply, *NFTs* are proof of ownership of a person's digital assets in the form of virtual tokens, and each token has a unique and different encryption code that serves as a form of absolute ownership of a person's virtual assets.¹² To strengthen the position of *NFTs* as legal objects, it is important to examine how Indonesian positive law views digital entities such as *NFTs* in the realm of property law. And within the scope of Indonesian law itself, *NFTs* fall under the scope of property law in the form of digital assets. This is regulated in Article 499 of the Civil Code, which states that goods are any objects and any rights that can be the object of ownership rights. And Article 1131 of the Civil Code states that all movable and immovable property belonging to the debtor, whether existing or not, as well as those that will exist, serve as collateral for the individual obligations of the debtor. Because of this, *NFTs* can be said to differ from cryptocurrencies in terms of categorization and legal protection because *NFTs* are non-fungible, unique, and represent specific assets, while cryptocurrencies are fungible, uniform, and serve as digital exchange media.¹³ Cryptocurrency is essentially intended as currency or a commodity, while *NFTs* function as pure assets. The digital infrastructure of *NFTs* relies on blockchain technology and smart contracts.¹⁴ Art, music, in-game items, videos, and other real-world objects can have digital assets with real value known as *NFTs*. *NFTs* are traded online, generally using digital currency as a means of payment, and are usually protected by simple software, similar to other types of digital currency. *NFTs*

¹²Yosep Peniel Batubara, "Non-Fungible Token," *Kementerian Keuangan*, 2021, <https://www.djkn.kemenkeu.go.id/kpknl-manado/baca-artikel/14584/Kontroversi-NFT-Peluang-dan-Tantangan.html>.

¹³ Mochamad Januar Rizki, "Menilik NFT Dalam Asas Hukum Jaminan Kebendaan," *Hukum Online.Com*, 2022, <https://www.djkn.kemenkeu.go.id/kpknl-manado/baca-artikel/14584/Kontroversi-NFT-Peluang-dan-Tantangan.html>.

¹⁴ Michael Dowling, "Is Non-Fungible Token Pricing Driven By Cryptocurrencies?," 2021, 1–13.

provide buyers with the opportunity to own authentic items. NFTs also have an existing authentication feature, which serves as a sign of ownership.¹⁵

Digital land itself is one of the products sold in the form of NFTs. This digital land has a certificate, can be traded, and can be used as business land, and has the same functions and uses as physical land. However, unlike cryptocurrency, which has a clear legal status in Indonesia and is even regulated by specific laws, the status of Non-Fungible Tokens is still unclear and seems ambiguous because there are no specific regulations to protect them. The purchase of virtual land in Decentraland is generally used to display NFT art collections, build galleries, and trade them at high prices. Land in Sandbox is part of digital real estate assets in the metaverse. The Sandbox allows owners to build various experiences on it. Once someone owns a plot of land, it can be filled with games or other digital assets. Each plot of land in Sandbox is classified as a Non-Fungible Token (NFT) unit based on Ethereum blockchain technology.

As this practice develops, it is necessary to observe how national law responds to these innovations, particularly through new regulations, namely Law No. 4 of 2023. Law No. 4 of 2023 concerning the development and strengthening of the financial sector (UUP2SK) explicitly recognizes the importance of innovation in the financial sector. Article 1 paragraph 34 of Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector explains that Financial Sector Technology Innovation, hereinafter abbreviated as ITSK, is technology-based innovation that has an impact on products, activities, services, and business models in the digital financial ecosystem. This innovation includes the use of digital technology, including blockchain, crypto assets, *Artificial Intelligence* (AI), and other digital-based instruments that are not yet regulated in detail in conventional financial regulations. NFTs are unique (non-fungible) blockchain-based digital representations, unlike fungible crypto assets. Although NFTs are blockchain-based and digital products, the Indonesian government has not specifically classified NFTs in the ITSK provisions of Law No. 4 of 2023 or other specific regulations.¹⁶ However, conceptually, NFTs are a form of digital asset included in the financial technology industry and can be categorized as digital technology innovation as part of the digital asset ecosystem, but currently, regulations are more specifically focused on crypto assets. If NFTs are only used as digital collections, they do not fall within the scope of ITSK. However, if NFTs are used for economic transactions, investment, financing, or buying and selling assets such as digital land in the metaverse, their use can be categorized as part of ITSK.

Although conceptually NFTs can be categorized as part of ITSK, the absence of explicit regulations in positive law raises a number of legal consequences that need to be analyzed further. The absence of explicit recognition of NFTs in the Indonesian legal structure, particularly in Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector, raises the issue of legal uncertainty. Although NFTs have the characteristics of technological innovation that impact digital financial activities and products, the absence of a formal classification in legislation causes ambiguity in determining the applicable supervisory jurisdiction and legal framework. This is crucial because in practice, NFTs are often used in high-value economic transactions, including the sale and purchase of digital land, which has the potential to cause legal consequences between parties.

¹⁵ Okto Viandra Arnes Rahmatullah, Adam Mahib Shalahuddin, Rifqi Ridlwan Nasir, Nur Indah, Deniansyah Damanik, Eka Syafrina Monica, Adi Nurhani Mufrih, Jamaliah Hadiroh, Armi Agustar, Yudi Hamsah, Nurul Khikmah, Khadijatul Musanna, *[Progresivitas Hukum Di Indonesia]*, Cetakan Pe (Daerah Istimewa Yogyakarta: Semesta Aksara, 2022).

¹⁶ Erlandy Alief and Reda Sukmawan, "NFT (Non-Fungible Token), Objek Jaminan, Dan Implikasi Hukum Dalam Penerapannya," *Innovative: Journal Of Social Science Research* 3 (2023): 2988–97.

Furthermore, this uncertainty has a direct impact on legal risks for market participants, investors, and especially consumers. Without a clear regulatory framework, there is no certainty as to who should be held responsible in the event of disputes, fraud, or losses resulting from NFT transactions. For example, consumers who purchase digital land through NFTs have no legal guarantee in the event of system failure, unilateral cancellation by the platform provider, or loss of access to digital assets due to blockchain system damage. The absence of a formal legal classification also makes it difficult for the Financial Services Authority (OJK) or other institutions to conduct supervision, as there is no certainty as to whether NFTs are subject to the financial sector's consumer protection scheme or to other legal regimes such as intellectual property, information technology, or even general trade. Therefore, normative steps are needed from regulators to provide clarity on the classification and legal framework for NFTs, particularly in the context of their use in digital asset transactions such as metaverse land.

Therefore, to fill the existing regulatory gap, it is necessary to refer to the provisions of Law No. 4 of 2023, which can be used as a basis for the legal classification of NFTs. Although the PPSK Law does not explicitly mention non-fungible tokens, based on Article 213 Letter h, NFTs can be classified as part of digital financial assets, specifically in the financial sector technology innovation (ITSK) group. ITSK itself covers various financial service activities that utilize information technology innovatively, including crypto assets and other digital forms. Therefore, NFTs, as blockchain-based assets with economic value, fall under the scope of ITSK regulations according to the PPSK Law. In Indonesia, cryptocurrency assets are regulated and supervised by the Financial Services Authority (OJK). This is confirmed in Article 216 of the UUP2SK, which states that the financial services authority shall regulate and supervise the implementation of ITSK in accordance with their respective scopes of authority and may coordinate with ministries, institutions, and other parties. One of the OJK's obligations is to monitor and regulate activities related to technological innovation in the financial sector, digital assets, and cryptocurrency. This applies to crypto assets that are categorized as commodities and regulated in futures contracts, derivative contracts in accordance with sharia principles, and/or other types of derivative contracts, in accordance with Minister of Trade Regulation No. 99 of 2018 concerning Crypto Assets.

Although Non-Fungible Tokens (NFTs) are not explicitly mentioned as part of Financial Sector Technology Innovation (ITSK) in Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector, NFTs substantially have characteristics that are in line with the definition. ITSK as stipulated in Article 1 point 34. NFTs are blockchain-based products used in digital economic activities, such as asset transactions, investments, and digital land ownership in the metaverse.¹⁷ These activities have a real impact on products, services, and business models in the digital financial system, which is at the core of ITSK's scope. Therefore, even though derivative regulations such as OJK regulations or official classifications from Bappebti have not explicitly included NFTs in the supervisory scheme, functionally and potentially legally, NFTs should be categorized as part of ITSK. This ambiguity indicates a regulatory gap that needs to be addressed immediately by regulators so that NFT-based digital economic activities can develop with adequate legal protection and oversight, particularly in the context of consumer protection.

¹⁷ Nafarida Santika Rahma, Ayun Hanafiyah, and Yohana Herdianly Br Nainggolan, "Blockchain Framework for Value Added Tax: Inovasi Digital Sistem Perpajakan Untuk Transaksi Non-Fungible Token," *Journal of UKMC National Seminar on Accounting Proceeding* 2, no. 1 (2023): 415–26, <https://journal.ukmc.ac.id/index.php/pnsa/article/view/915>.

3.2 Forms of Legal Protection for Consumers in Non-Fungible Token (NFT)-Based Land Transactions as a Form of Digital Transaction

Non-fungible token (NFT)-based land transactions are a form of digital innovation that represents ownership or rights to an object through blockchain technology. In this context, consumers can be defined as parties who purchase, acquire, or use NFTs that claim to represent rights to land or property, whether digital or physical. In digital Non-Fungible Token (NFT) transactions, there are basically two parties involved, namely the NFT transaction process carried out by the creator (seller) to the collector (buyer). Collectors (buyers) in this case can also be referred to as consumers.¹⁸ In the real world, NFTs can serve to represent various types of goods and services, because each NFT has a unique identity that is different from one another. Therefore, transactions using NFTs can be considered secure. NFTs are also in demand by many public figures and digital artists, which also plays a role in increasing the popularity of NFTs. In addition, the digital signature used by Non-Fungible Token (NFT) technology helps the system verify ownership. The owner or creator of a Non-Fungible Token (NFT) can also store certain information in it, such as open items. Non-Fungible Token (NFT) creators can also include digital signatures on their artwork in NFTs. In addition, NFT ownership is absolute, which means that whoever owns it has full rights to the Non-Fungible Token (NFT).¹⁹

Based on Article 1 paragraph 2 of Law Number 8 of 1999 concerning consumer protection, a consumer is any person who uses goods and/or Services available in society, whether for one's own interests, family, others, or other living beings, and not for commercial purposes. Meanwhile, Article 1 point 38 of Law Number 4 of 2023 concerning the Development and Improvement of the Financial Sector states that this will be a positive event, because all parties must contribute, Business Products and/or Services will become better and/or more significant, and Activities in the financial sector will improve. From these two definitions, it can be concluded that consumers are legally defined as any person who utilizes, uses, or purchases a product, goods, service, or service, whether for personal or other purposes, as long as it is not intended for resale, and is obtained from a business actor or financial sector actor. Based on this definition, when related to the context of NFT-based land, a consumer is defined as any person who purchases, obtains, and/or utilizes an NFT that represents ownership or a claim to land, whether in digital or physical form, from a business actor or NFT platform operator, for personal interests and not for commercial purposes.²⁰ Thus, consumers in NFT transactions fulfill the elements of users of digital financial sector services as regulated in the P2SK Law, as well as parties entitled to legal protection according to the principles contained in the Consumer Protection Law. This protection includes the right to information, transparency, transaction security, and legal certainty in the use of blockchain-based financial products.

In the context of Non-Fungible Token (NFT)-based land transactions, legal protection for consumers plays an important role, given that these transactions take place in the digital technology-based financial sector. Based on Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (P2SK Law), consumers as parties who use products and/or services from financial sector players are entitled to legal protection on several fundamental aspects, namely access to information, transaction security, and

¹⁸ Gede Paramhansa Yogananda, "Perlindungan Hukum Terhadap Konsumen Atas Jual Beli Non-Fungible Token (NFT) Melalui Smart Contract."

¹⁹ Gede Paramhansa Yogananda.

²⁰ Ranti Fauza Mayana et al., "Intellectual Property Development & Komersialisasi Non-Fungible Token (Nft): Peluang, Tantangan Dan Problematika Hukum Dalam Praktik," *Acta Diurnal Jurnal Ilmu Hukum Kenotariatan Dan Ke-PPAT-An* 5, no. 2 (2022): 202–20, <https://doi.org/10.23920/acta.v5i2.812>.

protection of personal data. Therefore, consumer protection in the financial sector based on Article 228 of Law No. 4 of 2023 applies the principles of adequate education, openness and transparency of product and/or service information, fair treatment and responsible business conduct, protection of consumer assets, privacy, and data, as well as effective and efficient complaint handling and dispute resolution. This also confirms that consumers in non-fungible token transactions are entitled to clear, accurate, correct, easily accessible, and non-misleading information about products and/or services, as stated in Article 235 of the law on the development and strengthening of the financial sector. Due to legal protection, physical crypto asset traders must inform customers about the risks of price increases and decreases, system failures, and other risks associated with crypto assets. All accounts used by customers must be verified in accordance with the provisions set by the Head of BAPPEBTI regarding the implementation of anti-money laundering and counter-terrorism financing programs as well as the proliferation of weapons of mass destruction. Every physical cryptocurrency trader must also report suspicious transactions to the Head of BAPPEBTI and the Head of the Financial Transaction Reports and Analysis Center.²¹

To protect the interests and rights of Non-Fungible Token (NFT) buyers as consumers when they conduct Non-Fungible Token (NFT) transactions, there is legal protection for Non-Fungible Token (NFT) buyers. The basic concept of security in Article 1 Number 1 of the Consumer Protection Law states that any effort to provide legal protection to consumers can be considered a definition of consumer protection. Although Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (P2SK Law) has recognized the existence of digital financial assets through the concept of Financial Sector Technology Innovation (ITSK) as regulated in Article 1 point 34, to date, NFTs have not been explicitly classified as legal objects that are specifically regulated in the Indonesian legal system. The absence of specific regulations has resulted in uncertainty regarding the legal status of NFTs, both in terms of their legal nature, consumer protection, and dispute resolution mechanisms.²²

The absence of this regulation is also very important in order to avoid the frequent occurrence of non-fungible token fraud. According to Eduard Banulescu, a common mode of fraud in Non-Fungible Token (NFT) transactions is pump and dump, which is a method of fraud carried out by a group by buying NFTs or cryptocurrencies to increase their price, then selling all of their assets when the price is high. This causes the price of the asset to automatically drop continuously until it has no value. Another method is plagiarism, which is the theft of a work. Many artists claim that their work has been taken without permission, then printed as NFTs and sold on NFT *marketplace* sites. Other types of fraud are also common, such as phishing, fake influencers, and outbidding.²³ Therefore, given the shortcomings in these regulations, the government's supervisory role is crucial to avoid problems, especially those related to NFT transactions, in the context of consumer protection in Indonesia. This is regulated by Article 30 under the Consumer Protection Law. However, to date, the government has not fulfilled its role in supervising non-fungible tokens (NFTs), which could lead to additional problems and greater losses for consumers.²⁴

²¹ Ishaniar Uwais Dona Budi, "Studi Komparasi Regulasi Perdagangan Aset Kripto Di Indonesia, Amerika Serikat Dan Jepang," *Perspektif* 28, no. 3 (2023): 141–53, <http://arxiv.org/abs/2105.07447>.

²² Khomsatun, "Potensi Kecurangan Non-Fungible Token: Dalam Lensa Akuntansi Forensik Dan Syariah."

²³ Eduard Banulescu, "Jangan Asal Beli NFT, Inilah 7 Modus Penipuan NFT Yang Harus Diwaspadai," Beincrypto, 2022, <https://id.beincrypto.com/belajar/modus-penipuan-nft-yang-harus-diwaspadai/#h-7-modus-penipuan-nft-yang-sering-terjadi>.

²⁴ Ida Ayu Kade Febriyana Dharmayanti and Putu Gede Arya Sumerta Yasa, "Penerapan Sistem Perizinan Berusaha Online Single Submission Risk-Based Approach (Oss-Rba) Di Bidang Industri Pasca Uu Cipta Kerja," *Jurnal Komunikasi Hukum (JKH)* 8, no. 1 (2022): 509–26, <https://doi.org/10.23887/jkh.v8i1.50593>.

Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (P2SK Law) explicitly regulates the principles of consumer protection in the financial industry, including in the digital sector that uses innovative technology. This protection is reflected in Article 228, which emphasizes the principles of education, information disclosure, fair treatment, data protection, and dispute resolution mechanisms. At the normative level, this provision demonstrates the commitment of lawmakers to the importance of legal protection for consumers, including in the context of digital asset transactions such as NFTs. However, upon further examination, consumer protection as contained in the P2SK Law is still general and conceptual in nature, without specific technical operational rules that specifically address the characteristics of NFTs as unique digital assets.²⁵ The articles related to consumer protection in the P2SK Law do not explicitly regulate NFT verification mechanisms, the responsibilities of NFT business actors, or minimum protection standards in digital asset transactions. Thus, normatively speaking, it cannot be said to be sufficient to provide concrete and comprehensive protection to consumers.²⁶ The absence of specific regulations regarding NFTs as specific legal entities also creates legal uncertainty. When consumers suffer losses due to NFT fraud, there are no regulations that explicitly stipulate who is responsible, how the dispute resolution process is carried out, or which institution has jurisdiction over the transaction.

This is certainly contrary to the principles of legal certainty and justice, as mandated in Article 28D paragraph (1) of the 1945 Constitution of the Republic of Indonesia, which states that every person shall have the right to recognition, security, protection, and legal certainty as well as equal treatment before the law. Therefore, although in principle Law No.4 of 2023 has recognized the importance of consumer protection in the digital finance sector, the substance of its regulations is still insufficient to address the complexity of NFT transactions. Derivative regulations are needed that explicitly regulate the legal classification of NFTs as part of digital financial assets or ITSK, specific consumer protection standards for NFTs, Appointment of competent supervisory and dispute resolution institutions. Without such regulatory updates, consumer protection in NFT transactions is only declarative and does not guarantee concrete, fair, and certain protection as promised in the national legal framework.

4 Conclusion

According to Article 1 point 34 of Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector, Non-Fungible Tokens (NFTs) are digital assets based on blockchain technology that are recognized as part of Financial Sector Technology Innovation (ITSK). However, to date, NFTs have not been explicitly regulated in Indonesian law. As a result, there are doubts about the legality, supervision, and authority of NFT transactions, especially in the practice of buying and selling digital land in the metaverse. This uncertainty indicates that lawmakers must immediately establish NFTs as independent and officially recognized legal entities. In Indonesia, consumers are still legally protected in NFT-based land transactions. This does not yet cover the specific features of NFTs as digital assets. Although Law No. 4 of 2023 and Law No. 8 of 1999 establish the principle of consumer protection, there are no technical laws governing the responsibilities of NFT businesses, verification, supervision, and dispute resolution related to digital transactions. As

²⁵ Fikri Setyo, Arief Pambudi, and Krisnadi Nasution, "Perlindungan Hak Cipta Bagi Pencipta Seni Lukis Digital Dalam Transaksi Jual Beli Non-Fungible Token," *Bureaucracy Journal: Indonesia Journal of Law and Social-Political Governance* 3, no. 1 (2023): 494–506, <https://doi.org/10.53363/bureau.v3i1.196>.

²⁶ Rizka Syafriana, "Perlindungan Konsumen Dalam Transaksi Elektronik," *De Lega Lata Jurnal Ilmu Hukum* I, no. 2 (2016): 430–47, <https://jurnal.umsu.ac.id/index.php/delegalata/article/view/803/743>.

a result, consumers are highly vulnerable to losses due to the absence of a clear legal recovery system. Therefore, clear derivative regulations are needed to govern consumer rights in NFT transactions. This is to ensure that consumer rights are protected properly, fairly, and efficiently within the digital economy ecosystem..

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