

Metaverse Regulation Formulation In Indonesian Cyber Law

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ABSTRACT

Research Purpose: The purpose of this study is to describe and understand the formulation of the Metaverse regulation for actions prohibited in the ITE Law in the concept of cyber law and to examine how the legal conditions and developments in Indonesia respond to the presence of Metaverse. **Method:** The research method used is a normative legal research method using several approaches, namely: 1) Conceptual approach; 2) Statute approach; and 3) Comparative approach. **Findings:** The findings of the study show that the condition of human civilization is currently advancing rapidly, this refers to the ease of accessing every line of life through the use of technology. To anticipate and monitor every aspect of life that occurs in the cyber realm, the concept of Cyber Law is present in ensuring legal protection for the community as technology users. The presence of metavers needs to be anticipated by designing or updating legal products that will become a reference in protecting citizens as subjects who are active in the Metavers era. **Function:** The function of the study is to examines the formulation of the Metaverse regulation of actions prohibited in the ITE Law in the cyber legal framework. **Novelty:** This research is important considering that there are no previous studies that examine the concept of cyber law in looking at the influence of the existence of Metaverse on actions prohibited in the ITE Law. In addition, considering the importance of carrying out legal protection for every activity that occurs in the Metaverse era in an effort to develop cyber law in Indonesia in the future.

Keywords: *Regulatory Formulation, Cyber Law, Metaverse.*

INTRODUCTION

Human civilization is currently advancing rapidly, this refers to the ease in accessing every line of life through the use of technology. Entering the 21st century, every aspect of life is easier to reach thanks to the presence of technology. Among the acceleration of world life today is also the phenomenon of digital war. Digital space is a community space where almost all of its activities are like activities in physical space. Our society has transformed from *physical space* to *digital space* (Rohmy, Suratman, and Nihayaty, 2021). Expertise and creativity in utilizing technology are benchmarks for the success of a business. The business model that is currently booming is the business in the *Metaverse era*. At the end of 2021, social media was shocked by the emergence of the '*Ghozali Everyday*' phenomenon. A young man named Ghozali who managed to make billions of rupiah in profits from the sale of his *Non-Fungible Token* (NFT) on an *NFT marketplace*. NFTs are digital assets that are linked to a *blockchain* or digital database using *cryptocurrencies* such as *Bitcoin* and *Ethereum* (Pratomo, 2022). The phenomenon of '*Ghozali Everyday*' is proof that there are business opportunities in a new era called the *Metaverse era*. The term *Metaverse* is not new, but has been around for a long time, but has recently been discussed again after Facebook changed its name to "Meta". Doing business in the *Metaverse era* must be prepared for the risks and challenges ahead. To initiate this phenomenon, it is necessary to have a legal protection for every community activity in the *Metaverse era*.

In Indonesia, *Metaverse* is present in the scope of people's lives by utilizing NFT as a business opportunity in the *Metaverse era*. *Metaverse* is a virtual world concept where one can create and explore with other internet users in the form of one's own avatar. The difference between *Metaverse* and NFT is very clear, that *Metaverse* is a *virtual reality* where NTF is an asset in it. For example, in the *Metaverse*, when you want to sell or exhibit a work of art and certain properties, the *Metaverse* can display a virtual form of the object. NFT's job is to provide a price and proof of ownership of the object. The most common NFT markets are *OpenSea*, *Mintable*, *Nifty Gateway*, and *Rarible*. In addition, there are niche markets for more specific NFTs, such as NBA Top Shot for basketball video highlights. Indonesia as a legal state mandated by the 1945 Constitution of the Republic of Indonesia Article 1 Paragraph (2) that, "*The State of Indonesia is a Rule of Law*", that is important in every aspect of life to strive for

legal protection. for the realization of the protection of the rights and obligations of the community, including in activities in the Metaverse era (Firmanto, 2020).

The formulation of legal arrangements can be interpreted as an effort to formulate legal arrangements *regarding* an object that has not been previously regulated (Suduthukum, 2018). In this study, the object in question is activity in the *Metaverse era* as an example of business activity which is currently *booming* and has not been regulated in the Indonesian Cyber Law as contained in the ITE Law. Because the importance of formulating activity regulations in the *Metaverse era* in the ITE Law, especially in Chapter VII regarding "Prohibited Actions", is in order to anticipate the occurrence of crimes and/or violations in activities on the *Metaverse*.

Cyber law in *Indonesia* cannot be separated from technology which is part of national development, especially in achieving the goals of a just and prosperous society. To achieve the prosperity of a nation, the nation must become a modern nation. The presence of Indonesian Cyber Law in the Indonesian legal system is a legal obligation, especially for legal experts to explore the legal system in Indonesian Cyber Law (Munir, 2017). Today, the world is in turmoil with the widespread use of the *WhatsApp application* and an uproar with *Pokemon* which allegedly violates the law. classical legislation such as criminal law. *Pokemon* users are not only limited to cross-country, but also have implications for prohibited acts, such as entering other people's yards without permission which is expressly prohibited by law (Munir, 2017).

The existence of these two phenomena is an example of the necessity for Indonesian Cyber Law to adapt to the development of increasingly advanced information technology. Information technology in the ITE Law is a means of collecting, preparing, storing, processing, announcing, analyzing and disseminating information to the public (Munir, 2017). The purpose of information technology in Indonesia is to educate the nation's life as part of the global information society, develop trade and the national economy in order to achieve public welfare and national economic growth effectively and efficiently by prioritizing public services through optimal use of information technology in order to achieve justice and legal certainty. On the one hand, it also provides the widest opportunity for everyone to develop their thoughts and abilities in the field of information technology responsibly (Munir, 2017).

Information technology that is developing rapidly has become an unavoidable phenomenon. This is because humans always try to facilitate activities in obtaining information (Munir, 2017). The interesting thing in the discussion about technology is the unlimited freedom

of imagination and expression to convey ideas and ideas about the picture of technology in the future for the realization of convenience in every activity of human life. One form of convenience that can be felt directly is the ease of buying and selling activities. Before getting to know technology and using the internet through social media, in fulfilling the needs of daily life, usually visiting the market is the right choice to do. In the past, the market was always identified as a wide and crowded place, where sometimes crowding became a common thing. After the advent of technology, the market can now be 'shrunk ' to become 'smaller'. Through technology, the market can be reached with just the typing of a finger. The world then began to recognize the existence of an *Online Shop* (a market in cyberspace) or what is known as an *Online Market*. The *online market* is different from the market in general, in simple terms the *online market* is a form of market that can be taken anywhere without having to jostle and easy to visit without wasting a lot of time. The *online market* offers convenience for anyone who wants to open a business and sell their wares without having to spend a large amount of capital. This shows that technology has encouraged ease of doing business.

The urgency of this research is seen from the phenomenon of the development of an increasingly modern era, it is possible that in the future activities of daily life will begin to crawl from activities oriented from physical space to virtual space. In the future, humans will no longer need to travel far just to visit a place or to meet someone, the Metaverse will be present as a link between physical space and virtual space. So it becomes a necessity for legal protection of community activities in the Metaverse era in anticipating every risk and crime that will occur. Based on this background, the writer is interested in conducting legal research regarding: "***Formulation of Metaverse Regulations in Indonesian Cyber Law***". The title of the research was then reduced to two problem formulations, namely: 1) How does the *Metaverse exist* in the concept of Cyber Law in Indonesia; 2) Why is the formulation of the *Metaverse setting* in the ITE Law needed.

RESEARCH METHOD

This research is the scope of aspects of people's lives in cyber and Metaverse, as well as the ITE Law as the main reference in this research. While the method used is normative legal research (doctrine), the approaches used are: 1) Conceptual approach, 2) Statute approach, and 3) Comparative approach (Irwansyah, 2020). The technique of collecting data and developing the instrument used is a literature study technique using secondary data. Collect various

statutory provisions and various literatures related to the problem in research through the following steps: 1) Determination of secondary data sources (primary legal materials, secondary legal materials and tertiary legal materials), 2) Identification of secondary data needed, 3) Inventory of data in accordance with the formulation of the problem by quoting or recording, and 4) Studying the data that has been collected to determine its relevance to needs. The technique of collecting data is through literature study in various statutory provisions as well as various literatures related to the problem in research. The data analysis technique is through analytical descriptive and qualitative conclusion drawing.

RESULTS & DISCUSSION

Metaverse in Cyber Law Concepts in Indonesia

Metaverse is a complex concept, which is a convergence of two things, namely: 1) Virtually enhanced physical reality, and 2) Physically persistent virtual space. *Metaverse* seeks to embody a blend of the two and allows its users to experience both things at once (Bridges et al, 2007). Neal Stephenson is an expert who first coined the term *Metaverse*. He mentions the term in his novel “*Snow Crash*” published in 1992 (Purnama, 2022). *Metaverse* is defined as a world of interconnected virtual communities. For example, people can work, meet, and play using virtual reality headsets, *augmented reality glasses*, *smartphone* apps, or other devices (Purnama, 2022). *The Metaverse* is set to become a digital world by using pieces from several other worlds to create a world. which includes everything. Social media, *online gaming*, *virtual reality*, *augmented reality*, *cryptocurrencies*, and even the physical world will come together to create the *Metaverse* (Aries, 2022). To be able to enter the *Metaverse*, first you need to know what *Virtual Reality* (VR), *Augmented Reality* (AR), *Mixed Reality* (MR) and *Extended Reality* (XR) are.

First, *Virtual Reality* (VR) is a computer-generated simulation through three-dimensional images that can interact in a way that appears real to a person using special electronic equipment, such as a helmet with a screen inside or gloves equipped with sensors (Hamilton.edu, 2020). *Virtual Reality* has been around since the 1950s, when the film industry was actively creating real-world experiences through widescreen image sensors, stereophonic sound, and 3D images (Huggett, 2020). One of the systems that made it to the prototype stage in 1962 is Morton Heilig's Sensorama Simulator, a device that can feature a vibrating seat,

handrails, viewing holes, and a set of vents that provide a gentle breeze and chemical scent. The rapid development of affordable *mobile* and *wearable* technologies over the past few years has led us to *Virtual Reality*.

Second, *Augmented Reality* (AR) is a technology for layering computer-generated images on the user's view of the real world, thereby providing a combined view (Hamilton.edu, 2020). In line with the definition that *Augmented Reality* is a technology that is able to combine 2D or 3D virtual objects into a real environment which then generates it or projects it in *real time*. *Augmented Reality* can be used to help visualize abstract concepts for understanding and structure an object model (Sari et al, 2020).

Third, *Mixed Reality* (MR) is a medium consisting of an immersive computer-generated environment in which elements of the physical and virtual environment are combined (Purnama, 2022). **Fourth**, *Extended Reality* (XR). *Extended Reality* itself refers to the use of technology that expands reality and combines the real world with the virtual. In other words, *Extended Reality* means a general term that combines *Virtual Reality* (VR), *Augmented Reality* (AR) and *Mixed Reality* (MR) (Rudiansyah, 2021).

Furthermore, *Metaverse* has become a hot topic of discussion in the world, several countries are competing to implement *Metaverse* in their national life, such as South Korea and Barbados. Changing the name of Facebook to "Meta" with the principle that it will evolve into the *Metaverse* enough to influence the world to glance at the *Metaverse*. Barbados and South Korea are progressive countries in supporting the legitimacy of the *Metaverse* and are preparing to legally declare the establishment of a *Metaverse embassy* (Santoso, 2021). This commitment was demonstrated by signing an agreement with *Decentraland*, the largest and most popular crypto-powered digital world, for the establishment of a digital embassy by the Ministry of Foreign Affairs and Foreign Trade of Barbados. In addition, the Government of Barbados also entered into agreements with *Somnium Space*, *SuperWorld*, and *platforms* Another *Metaverse* (Santoso, 2021). On the other hand, the Government of Seoul, South Korea, announced that it will offer a new public service concept *online* by building *the Metaverse platform*. These two countries are a sign that the *Metaverse* will soon be present in human life.

At the seminar entitled "Telematics Law Welcoming the *Metaverse Era* "organized by the Legal Aid Center (PBH) Peradi Palembang, resulted in conclusions about the need for legal reform in the *Metaverse era*. The seminar resulted in a conclusion regarding legal instruments in Indonesia which are still weak in responding to innovations in information technology or

digital technology today, especially in welcoming the *Metaverse* era (MKRI.id, 2022). It is important to develop a *digital authority* to ensure synchronization and harmonization of digital policies, to ensure legal certainty. Indonesia still needs protection from basic tools that currently don't exist (MKRI.id, 2022).

Legal protection for every community activity in the *Metaverse era* can be done through a branch of law in Indonesia, namely Cyber Law. It is a necessity for Indonesia at this time to transform into a digital space. Therefore, an adequate legal umbrella is needed to maintain and oversee the digital space so that it can be used and utilized for things that are safe, clean, conducive, productive and beneficial to the community. On the other hand, it must also be able to guarantee the fulfillment of the community's sense of justice (Rohmy, Suratman, and Nihayati, 2021). Law Number 19 of 2016 which is an amendment to Law Number 8 of 2011 concerning Information and Electronic Transactions (UU ITE), has become *legal standing* for Cyber Law in Indonesia (Chazawi, 2019).

***Metavers* Regulation Formulation in Electronic Information and Transactions Law**

Metaverse technology is expected to become a trend in the future. But on the one hand, *Metaverse* technology has the potential to pose a risk of misuse of personal data (Burhan, 2021). *Metaverse* creates its own problems, ranging from technology addiction, discrimination, violence, and *harassment*. Some of those problems even extend to the real world (Amelia, 2021). An expert, Louis Rosenberg, who developed *Augmented Reality systems* for the United States Air Force, warns that the *Metaverse* also has a dark side that is vulnerable to corporate exploitation. With regard to monitors, Rosenberg warns that the *Metaverse* has the potential to take today's internet privacy and surveillance issues to a new level. *Platform* providers will be able to track what other people are doing, where other people are going and what others are seeing, including in this case wiretapping (Cahya, 2022).

Extended Reality, which is also part of *Metaverse*, is known to have its own risks, which result in the collection and processing of user data, such as personal information, activities, and even emotions expressed by users. This will certainly provide serious potential if the data is leaked or hacked by irresponsible parties. This is the main challenge for developers of *Extended Reality technology* as a way to realize the *Metaverse*. This condition is a necessity for the importance of legal protection for the community in carrying out activities in the

Metaverse era, as an example of legal protection for people who are involved in the *Metaverse business world*.

Although the *Metaverse* is identical to the cyber world that only occurs in a virtual space, the law is still needed to regulate every community action. The reason is because the users or people in the *Metaverse* are real humans, and there are interests in them that must be protected. Furthermore, even though it takes place in cyberspace, all transactions in it will have a direct impact on the real world, both economically and non-economically (Dhadha et al, 2022). In view of the risks that will be caused by the presence of *Metaverse*, it is necessary to first understand the prohibited acts in the cyberspace. The Indonesian Cyber Law contained in the ITE Law in analyzing how far the law in Indonesia has protected every public activity in the virtual space.

Specifically, the actions prohibited in the ITE Law that have been protected by the Indonesian Cyber Law consist of: 1) Distributing electronic documents containing immorality, gambling, defamation, extortion, and threats (Article 27), 2) Distributing fake news or *hoaxes* to community related to ethnicity, religion, race between groups (Article 28), 3) Spreading threats of violence or intimidation (Article 29), 4) Accessing, taking, and hacking other people's electronic systems in any way (Article 30), 5) Interception or wiretapping of other people's electronic systems from public to private and vice versa (Article 31), 6) Change, damage, transfer to unauthorized places, hide information or electronic documents, and open confidential documents or information (Article 32), 7) Interfering with electronic systems (Article 33), 8) Providing hardware or software, including computer passwords and access codes for violators of restrictions that have been it is stated (Article 34), 9) Falsification of electronic documents by means of manipulation, creation, alteration, deletion, and destruction (Article 35) (Isabela, 2022), 10) committing acts as referred to in Article 27 to Article 34 that result in losses for other people, 11) Acts prohibited in Article 27 to Article 36 outside the territory of Indonesia against Electronic Systems located in the jurisdiction of Indonesia (UU 19/2016).

Regarding the protection of personal data which is a risk from *Metaverse* itself, it is not regulated as an act that is specifically prohibited in the ITE Law. The limitations of the regulation of actions prohibited in the ITE Law must seek a renewal or by presenting derivative regulations that are more detailed regulating the protection of the use of personal data. Information and Communication Technology Legal Expert, Mustofa Haffas said that the purpose of the ITE Law was to regulate electronic information and electronic documentation

related to electronic evidence, as well as regulate the sending and receiving of electronic mail, electronic signatures, electronic systems and others (MKRI, 2022)

Based on the objectives to be achieved by the ITE Law, every activity in the *Metaverse era*, including business activities, should be contained in the substance of the ITE Law for the purpose of monitoring and anticipating the resulting risks. The discussion of the ITE Law is absolutely necessary to become the basis for the use of information technology as well as a legal umbrella to overcome various unlawful acts and violations of information technology crimes (*Cyber Crime*) (Rohmy, Suratman, and Nihayati, 2021). That is why the importance of the presence of law in regulating all community activities in *Metaverse era* .

CONCLUSION

Metaverse in Cyber Law in Indonesia is one of the biggest challenges to develop a regulatory model while adhering to legal principles that are flexible and can respond to technological acceleration. Whatever the technology, the law must be able to respond to innovations from technological advances, including responding to the presence of the *Metaverse era*. It is necessary to clarify the reach of conventional laws and regulations to new technological innovations, so as not to create tension and *overlapping* in regulations. Laws that are not fair, cause the law enforcement process to be delayed, law enforcement is not balanced between expectations and reality.

Formulation of the *Metaverse* regulation in the ITE Law is an effort to protect the law against every community activity which is a necessity that cannot be denied and becomes a necessity, whether it is activities in physical space that can be touched and felt or in virtual realms that can be seen and heard. One of them is activity in the *Metaverse era*. Cyber Law as the embodiment of legal remedies in Indonesia that provides legal protection for community activities in virtual space, there are still shortcomings in it which have not specifically regulated the risks that will arise from the presence of a new virtual space, namely the *Metaverse era*.

RECOMMENDATION

Indonesia needs a strategy and development of laws in facing the *Metaverse era* and regulations that become a reference for each digital layer (infrastructure, logical, and content), with an emphasis on the *Human Centric Approach*, in the form of a strategy that emphasizes

state and company policies in industrial development by focusing on on the welfare of workers which will contribute to productivity.

A legal reform/formulation is needed which includes the formulation of agreed principles as a reference in the preparation of norms for the development of digital policies in the ITE Law, in particular by adding the risks caused by the presence of *Metaverse* to the actions prohibited in the ITE Law. All the risks that come with the *Metaverse era* are oriented towards the leakage of personal data. So in this case the Government must immediately ratify the Personal Data Protection Bill (PDP) as a continuation of the regulation of actions prohibited in the ITE Law.

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