

Legal Protection for Users of Affiliate Services in Binary Option Platform Transactions



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ABSTRACT: The purpose of this study is to examine the extent of legal protection provided to users of Binary Option platform services on the basis of affiliate violations and whether affiliates are liable for losses experienced by Binary Option service users. This type of research is legal research, using normative juridical research. The approaches used in this research are the statutory approach and the conceptual approach. The results of this research are that Binary Options trading is a guessing game or called gambling and does not have an operating permit in Indonesia and the legal protection provided is through the Investment Alert Task Force which actively gives an appeal to the public to be more careful if they want to carry out investment activities. because until now there are no definite regulations regarding Binary Option services.

KEYWORDS: Legal Protection, Binary Option, Affiliate

I. INTRODUCTION

The development of globalization that has occurred in the financial system and the very rapid development of progress in the field of information technology and financial innovation has created a financial system that is very complex, dynamic and interconnected between financial subsectors, both in terms of financial institutional products and services. Apart from that, there are several companies in the form of financial service institutions that have relationships in various financial subsectors which have added to the complexity of transactions and interactions between financial service institutions in the financial system (Hermansyah, 2005).

The very rapid development of financial information systems influences investment patterns. Investment is the investment of money (capital) in a company or project for the purpose of making a profit. In the Black Law Dictionary, investment is stated as: an expenditure to acquire property or assets to produce revenue; a capital outlay (Garner, 2009). The large number of profits obtained from investing makes many people interested in investing, whether in the form of savings, shares, forex, etc. (Vurista, 2019).

Investment is divided into two parts, namely direct investment and indirect investment, known as portfolio investment. The difference between the two investments lies in the management and supervision of the company as well as share ownership in the company (Sornarajah, 2009). In indirect investment there is a separation of management and supervision carried out by the trader, so that the trader does not directly supervise the company directly (Sornarajah, 2009). There are many technological developments that make it easier for people to carry out online financial transactions and invest online, for example online trading or Binary Options trading. Many people do not realize that Binary Options trading is gambling under the guise of online trading.

Binary Options are considered a gambling activity under the guise of investment, with the background of gambling under the guise of investment it can be assumed to fulfill the elements of gambling, in Article 303 paragraph 3 of the Criminal Code gambling is defined as: "what is called gambling is any game where in general there is a possibility of making a profit depending on sheer luck, also because the game is more practiced or more skilled" (Criminal Code Article 303 paragraph 3). This includes all bets on the outcome of competitions or other games that are not held between those competing or playing, as well as all other bets."

Binary Options trading is an activity to determine the movement of the value of an asset within a certain time that has been chosen through a binary system (Hasanuddin, 2019). Binary Options do not give the option holder the right to buy, sell or hold the specified asset. Option holders are only given the right to guess the position of the asset price going up or down, then receive a predetermined amount of cash, or nothing at all when the binary option expires (Cofnas, 2016). In determining an asset's

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prediction of fluctuations in rising or falling asset prices within a certain time, a person can gain a predetermined amount of profit (Fixed Payout) or lose the value that has been placed (Kiiskinen, 2016). The internet-based Binary Options Platform asks traders to deposit a certain amount of money to make a deposit, after making the deposit the trader can make a withdrawal for the deposit in the form of a contract for one of the options provided by the platform. If you place the correct proposition within the specified time period then the trader has the right to receive a refund, but if it is not correct then it can be said to be Out of the Money and the trader loses the entire amount of funds deposited (Kiiskinen, 2016).

Binary Options are increasingly famous in Indonesia, after being widely promoted through advertisements on YouTube channels, Facebook, and so on. In terms of promoting Binary Options, it also involves influencers or well-known public figures to promote the platform to the wider community. Influencers who carry out promotions are called affiliates. Affiliates use social media or certain links to carry out promotions in cyberspace. In attracting traders' attention, affiliates will usually give suggestions about whether to sell or buy assets, but often the affiliate's guesses are not always correct, as a result traders will experience losses and even be considered by the affiliate to be deceptive. In trading, affiliates and traders use the Binary Option application or platform, where the Binary Option platform is considered illegal in Indonesia because it does not have a legal umbrella or is not yet a legal entity. In response to this, prospective option holders or potential traders must be more careful and ready to take all risks if they want to reap profits on the Binary Options platform.

Currently, Binary Option cases are becoming widespread, namely there are many cases of affiliates or public figures promoting Binary Option trading. The affiliate is a suspect in a case of alleged fraud under the guise of investment, even though in Binary Options this is not an investment but a system like gambling that only guesses the fluctuations in the rise and fall of an asset.

This research was conducted to find out whether affiliates are responsible for losses experienced by Binary Option service users. What are the legal remedies for Binary Option platform service users for affiliate violations?

This research is interesting because it can contribute to the scientific literature, especially legal knowledge regarding affiliate liability for losses experienced by Binary Option service users and also analyze the legal remedies of Binary Option platform service users for affiliate violations. Also a juridical study for jurists or legal practitioners regarding whether affiliates are liable for losses experienced by Binary Option service users and also analyzing legal remedies for Binary Option platform service users for affiliate violations.

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II. LITERATURE REVIEW

Binary Options is a very risky platform, many of its users are new and do not realize that the risk they accept is very dangerous for price movements of financial products used as assets (Kolkova and Lenertova, 2016). Binary Options are only given the right to guess the position of the asset price going up or down to the option holder, after which the option holder receives a predetermined amount of cash or nothing at all when the binary option expires (Lestari and Arifin, 2022). When marketing its products, Binary Options in Indonesia often calls itself an investment or trading company.

Binary Options carries out promotions through affiliates involving influencers or public figures and promotions often appear on the YouTube platform. This Binary Options application or platform is also considered illegal by the Commodity Futures Trading Supervisory Agency, because it does not yet have a definite legal umbrella. Prospective traders or option holders who will participate in Binary Options must be prepared and very careful with all risks or circumstances in achieving profits on the platform (Lestari and Arifin, 2022).

Binary Option organizers in Indonesia use affiliate marketers or influencers to market the Binary Option platform. Affiliate Marketing is a main marketing strategy for e-commerce based businesses in the future. The success of affiliate marketing lies in a mutually beneficial relationship between the merchant and the affiliate (Duffy, 2005). Affiliate itself is a market in the form of promotion of something to other people (Natarina et al., 2019). It can be said that affiliation is an activity to influence other people to obey or follow what is offered by an affiliate (Emi, 2016). In the case of digital platforms or means of meeting users with instrument providers, an affiliate is a person who makes offers to target consumers by showing the ways and benefits of profits (Puspitasari and Rachim, 2021).

Binary Option Service System for Committing Fraud

The concept of responsibility in Indonesia is criminal liability which is a continuous objective error for actions based on applicable law that results in subjective fulfillment of legal requirements and for the action can be subject to criminal punishment (Prakoso, 1987).

The affiliate has committed fraud by carrying out promotions via social media related to Binary Options only to benefit himself. In this case, the affiliate has made people interested and tempted to carry out this practice even though the affiliate himself already

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knows that the Binary Option platform is just a game of guessing the price of an asset, so there is a possibility that people who carry out this practice could lose the capital at stake, and the affiliate also spreads it. fake news by saying that Binary Options, especially Binomo in Indonesia, is legal, and has a legal umbrella and teaches trading to victims using various methods, with the promise of making a profit if they use this method, but in fact traders actually experience losses (Kumparan news Editorial Team . <https://kumparan.com/kumparannews>). The loss in question is the loss experienced by the consumer, that the affiliate's actions have caused consumer loss by referring to the definition of consumer contained in article 1 point 2 of Law Number 8 of 1999 concerning Consumer Protection.

Affiliates in Binary Option Services

Binary Option uses affiliate marketers or influencers to market the Binary Option platform. In the case of digital platforms or means of meeting users with instrument providers, an affiliate is a person who makes offers to target consumers by showing the methods and benefits of profits (Puspitasari and Rachim, 2021). Affiliates deliberately spread information about Binary Options for the purpose of personal gain. Affiliates also play a role in making offers to target consumers by showing the methods and benefits of profits, if the affiliate knows that this is not true. Thus, affiliates deliberately spread information about Binary Option operations for the purpose of personal gain.

Compensate Affiliator Victims for Losses Arising in Binary Option Services

The losses felt by traders are because the affiliate has committed fraud by saying that Binary Options are legal even though they are not. Apart from that, affiliates often display profits on social media that are obtained through trading even though in reality it is not like that. Affiliates gain profits from traders who experience losses when carrying out these activities. And affiliates have also spread fake news that is detrimental to consumers or traders. Based on Article 1365 of the Civil Code, it is determined that the perpetrator must pay for losses, but the law does not regulate further regarding compensation for losses caused by unlawful acts. Compensation for damages resulting from unlawful acts can be applied in part from the applicable provisions to compensate for losses caused by the affiliate's fault. For the losses caused, the affiliate provides compensation to the trader as a form of legal responsibility. Although Article 1365 of the Civil Code determines the obligation of perpetrators of unlawful acts to provide compensation, the law itself does not explain more about this regulation.

Liability

Liability means that a person must bear a lawsuit caused by his own actions which have harmed other people. Being accountable means that the person must be able to be accounted for, namely a state of mind that allows him to be declared responsible for his actions. Or it can be said that someone must bear a lawsuit caused by their actions which have harmed other people. With the intention of this liability, the affiliate is obliged to bear any lawsuits caused by losses he has caused, because he has caused losses or lied to users of the Binary Option service. And with this lawsuit, the affiliate is obliged to be responsible for the losses experienced by Binary Option users.

III. RESEARCH METHODOLOGY

This type of research is normative juridical research. Normative legal research is a process of finding legal rules, legal principles and legal doctrines to answer the legal issues faced. The problem approaches used are statute approach, conceptual approach, and case approach. The sources of legal materials used are: Primary legal materials consisting of statutory regulations, jurisprudence or court decisions. Secondary legal materials consist of textbooks, legal dictionaries, legal journals, and judges' comments or decisions. The data collection technique uses library research, which is collecting data by studying books, papers, newspapers, magazine articles, the internet, research results and laws and regulations related to the problem being studied.

IV. RESULT

Legality of Binary Options

Binary Options, which are starting to become famous and are becoming more common in Indonesia, does not mean that they are not supervised by the authorities, namely Bappebti. The Commodity Futures Trading Supervisory Agency (Bappebti) of the Ministry of Trade has supervised and blocked a number of Binary Option platforms since 2019. Referring to the Law regarding amendments to Law Number 32 of 1997 concerning Commodity Futures Trading, which, among other things, regulates the meaning of commodities, trading Commodity Futures, and Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts, Futures Trading practices outside the stock exchange, criminal sanctions for the practice of promotional activities, recruitment, training, seminars by parties who do not have permission from CoFTRA (Illegal), demutualization of the Futures Exchange, the Futures Trading Industry Association, and electronic Futures Trading transactions (Law Number 10 of 2011), one example of futures trading transactions that is currently widespread is the practice of Binary Options which is an illegal transaction and is not recognized in Indonesia (Risat, 2022).

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BAPPEBTI is a government-owned institution under the supervision of the Ministry of Trade of the Republic of Indonesia. The Commodity Futures Trading Supervisory Agency has the task of supervising and regulating futures trading. Or it could also be called Bappebti, which is the regulator in the field of futures trading in Indonesia. The Commodity Futures Trading Supervisory Agency (Bappebti) emphasized that Binary Options are prohibited or illegal activities, because they are not in accordance with Law (UU) Number 10 of 2011 concerning amendments to Law Number 32 of 1997 concerning Commodity Futures Trading. The reasons why Bappebti did not grant an operating permit for the Binary Option platform which is why Binary Option is often called online gambling include:

- a. Binary Options are not recognized as commodities or at least commodities that are legal to trade, product users are not considered consumers in accordance with the provisions of the 1999 Consumer Protection Law (Simanjuntak, 2018).
- b. The Binary Option platform is an internet-based business and does not have a representative branch office in Indonesia, so internet-based businesses are not available there so it is impossible to take responsibility, as stated by the Commodity Futures Trading Commission (CFTC).
- c. The lack of standards among business actors who are obliged to behave honestly is a consequence of the absence of Binary Options regulations both in the United States and internationally (Puspitasari and Rachim, 2021).

Several other countries that first recognized Binary Options, such as America, England and Canada, these three countries immediately took a firm stance regarding the emergence of Binary Options, namely by prohibiting various activities related to Binary Options because they had caused many losses for users (Sultan, 2023). One country, namely America, issued a warning addressed to investors containing:

- a. Reminding that any internet-based Binary Option activity does not meet the requirements regulated by American law and is an illegal activity.
- b. Never invest in something you don't understand. If you don't know how much profit you will get and don't understand how it works, then you should reconsider the potential of this investment.
- c. Before you start investing in Binary Options, you are expected to pay attention to the following things:
 - 1) Has the platform been registered with the SEC in terms of product offering and sales transactions?
 - 2) Has the platform been registered as an asset exchange body?
 - 3) Is the platform a type of futures market?
- d. Finally, before making an investment, investors are required to check the registration and background of the company you are considering investing in (U.S. Securities and Exchange Commission, 2013).

Because the Binary Option platform is illegal in Indonesia, trading activities carried out on it are often associated with online gambling, this is not without reason, the high risk for investors in it is also a reference that Binary Option is gambling under the guise of trading or investment. This action was taken by BAPPEBTI and in collaboration with the Ministry of Communication and Information to block many illegal Binary Option platforms. (Ministry of Trade Blocks 1,222. <https://bappebti.go.id>). However, the supervision carried out by BAPPEBTI is very minimal and there is a lack of education, this is what causes many people to still believe in Binary Option advertisements via social media.

Legal Protection for Binary Option Service Users Based on a Civil Law Perspective

Legal protection for Binary Option service users based on a civil law perspective can refer to the provisions of contract law as the basis of civil law which regulates the rights and interests of every individual in society in Indonesia.

Based on Article 1313 of the Civil Code, the concept of an agreement is an act in which one or more people bind themselves to one or more other people. From this article it can be concluded that what is meant by agreement in this article is an agreement that creates an agreement (*verbintenisscheppende overeenkomst*) (Satrio, 2001). According to Subekti, an agreement is an event where someone promises another person or two people promise each other to carry out one thing (Subekti, 2007). Article 1233 of the Civil Code also states that there are two elements of legal sources of engagement, namely: Engagements that arise from agreements and, Engagements that arise due to law (Article 1233 of the Civil Code). In the law of engagement there are also accompanying elements, namely legal relationships, parties consisting of two or more parties, assets, and achievements. The parties in the law of engagement do not have to be individuals, but can also be bodies as long as they are competent to carry out legal actions.

In relation to Binary Options, the most appropriate analysis of acquiring property rights is through levering. Levering is the handing over of an object by the owner or on his behalf to another person, so that the other person obtains ownership rights to the object. As regulated in Article 612 BW, delivery of movable objects can be done through actual delivery, so that the actual delivery automatically constitutes a juridical delivery. Meanwhile, according to article 616 BW, the delivery of immovable objects is carried out by announcing a deed as proof of ownership in the manner specified in article 620 BW, namely, by recording it in the register. The property right in question is an object that can be used as an object of transaction if it meets two types of conditions, namely that it has economic value and the ownership rights can be transferred. Object law has several rights which are

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called material rights (Zakelijk Rechi). Material rights are absolute rights over an object, material rights give direct power over an object and can be defended against anyone (Usanti et al., 2012). Material rights themselves consist of main rights such as control rights (Bezit) and property rights (Eigendom). Aspects of material rights that could be studied for Binary Options are related to the right to control a position of power (Bezit) and property rights (Eigendom).

Based on article 529 BW, Bezit is the position of a person who controls an object, either by himself or through the intermediary of another person, and who maintains or enjoys it as the person who owns the object. Bezit shows that there is a real relationship between the holder and the object (Hasbullah, 2002). To show the existence of Bezit, there must be power over an object and the will to own that object. In this case it is clearly not fulfilled in Binary Options, because service users do not have power over the assets they have chosen. Property rights (eigendom) are the right to enjoy the use of an object freely and to act freely with that object with complete sovereignty as long as it does not conflict with statutory regulations (Puspitasari and Rachim, 2021). Article 854 BW regulates various methods of acquiring property rights, namely through recognition, joining (natrekking), passage of time (verjaring), inheritance (erfopvolging) and handover (levering).

Binary Options, carry out transactions by placing a deposit for the selected asset and selecting the "Call" or "Put" option for a certain time period. If the choice is correct, then he will get a Fixed Payout amount. Through this scheme, there is no clear shift (Levering). This is because even though the service user appears to buy the position, the position in question disappears automatically after a certain period of time. So this is contrary to the characteristics of property rights, namely primary rights, intact and complete, and permanent and not lost (Puspitasari and Rachim, 2021). In Binary Options there are no objects that are traded, service users only place deposits as the basis for selecting options and determining the agreement price. Binary Option service users do not have rights to the assets that have been chosen and no transfer of ownership of these assets occurs, so that Binary Option transactions cannot be categorized as buying and selling activities.

In Article 1234 of the Civil Code, the purpose of this engagement law is to provide an explanation of the aim of the parties entering into an agreement, namely the fulfillment of achievements for both parties. The achievements in question must be halal and not in conflict with the law and not in conflict with public order. This achievement can take the form of an obligation to provide something, an obligation to do something (service) or an obligation not to do something. The legal system for engagement is open, which means that the Civil Code provides the possibility for everyone to enter into any form of agreement, whether regulated in law, special regulations or new agreements for which there are no provisions as long as it does not conflict with Article 1320 of the Civil Code. Based on Article 1320 of the Civil Code, the conditions for an agreement to be valid are if it fulfills 4 conditions, namely:

1. Subjective Terms

a. There is an agreement between the parties

Both parties enter into an agreement in the form of a desire to make an agreement, in other words an agreement between the Binary Option service platform and its users occurs starting with the service user's agreement when registering an account as outlined in the Terms & Conditions. In the registration process as a service user, a person first agrees to the conditions in the Binary Option service. The word of consent must be given freely even though the terms of this agreement have been felt or deemed to have been fulfilled (Meliala, 2010).

b. Able to make an agreement

Capable according to Article 1320 of the Civil Code are those who are 21 years old or not yet 21 years old but have previously been married, not including people with mental illnesses or extravagant people for whom a transfer has been decided to be under guardianship and a married woman.

1. Subjective Terms

a. Certain Things

A certain thing means that at least the type or type of object in the agreement has been determined. The meaning of object here is what is required of the debtor and what is the right of the creditor. Provisions of Article 1332 jo. 1333 of the Civil Code stipulates that the object in the agreement must be of clear type and can be traded. Meanwhile, in a Binary Option transaction there are no objects or items being traded.

b. A halal cause

The meaning of a halal cause is that the contents of the agreement do not conflict with the law, morality and public order. Meanwhile, until now Binary Option services in Indonesia do not have legality. Moreover, the speculative characteristics of Binary Options mean that Binary Options are often associated with gambling.

Based on the analysis above, the Binary Option service does not qualify as a form of transaction because there are no objects or goods being traded and it does not meet the legal requirements for an agreement as regulated in article 1320 BW.

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Binary Options Are a Form of Gambling

Recently, there has been a lot of information from affiliates and advertisements that mentions the big profits that can be obtained through the Binary Option Platform, so that many people are tempted to try playing on it without understanding what and how the Binary Option system itself is. However, many people decide to just invest straight away and do not check the background of the platform that provides Binary Option services and also do not understand how the money invested can generate large profits. This has resulted in many people being deceived because they are tempted by the benefits offered by the Binary Options platform.

The large number of Binary Option platforms currently available has resulted in people being less selective about the online trading applications they use, because of the large number of Binary Option platforms available, it turns out to be illegal because they are not included in the commodity. Binary Options is a prediction of the movement of an asset by a player (in this case a trader) or a guessing game, whether the price or value of an asset will move up or down using a binary system within a certain time period (Hasanuddin, 2019). This Binary Options activity is an online gambling game under the guise of trading in the commodity trading sector.

The characteristics of Binary Options themselves are often associated with gambling. The definition related to gambling in Article 303 paragraph (3) of the Criminal Code states that: "What is called a gambling game is any game, where in general the possibility of making a profit depends on sheer luck, also because the players are more skilled or more This includes all bets on the results of competitions or other games that are not between those participating in the competition or playing, as well as all other bets."

The definition of gambling is also regulated in article 1774 BW which states that: "An agreement of chance is an action whose outcome, namely regarding profits and losses, both for all parties and for some parties, depends on an event that is uncertain. As follows: insurance agreement; live interest; gambling and betting."

Gambling is a form of event where the outcome of profit and loss is still dependent on an uncertain event. In essence, gambling is against religion, decency and national morals, but in reality gambling activities are still widely carried out. One example of a gambling activity is a card game, where the outcome of winning or losing depends on the fate of the players who take the cards and play them. When viewed from the law, this gambling game can be divided into three parts, namely:

1. Gambling games which are crimes, namely those which violate articles 303 and 542 of the Criminal Code;
2. Gambling that does not constitute a crime or violation of morality, but the demand for payment of gambling debts is not granted;
3. Gambling games that do not constitute a crime or violation, where demands for payment of gambling debts are permitted.

Gambling games based on the law above, an act that can be categorized as gambling must have three elements that must be fulfilled, namely:

1. Game or competition

The actions carried out usually take the form of games or competitions. Players do not have to be directly involved in the game but may be spectators or people who bet on the course of a game or competition. Just like Binary Options, which plays a guessing game about whether or not the fluctuations in assets that service users have deposited will increase or not.

2. Profit based on luck

Profits from gambling depend on speculative elements, chance or the skill of players who are used to carrying out these activities. In Binary Options, profits are obtained based solely on luck. Service users obtain profits based on the accuracy of choices regarding fluctuating movements in asset values in a relatively short time.

3. There is a bet

Betting is the main element in determining whether an action can be categorized as gambling. When carrying out gambling activities, there are bets placed by players which can be in the form of money or other assets. In Binary Options there is a certain amount of money at stake in the form of a deposit made by service users to determine options for the movement of the value of an asset.

Based on the analysis above, with a statement from BAPPEBTI, Binary Options are categorized as gambling because they fulfill the elements of gambling as stated in Article 303 paragraph (3) of the Criminal Code. Binary Options are a new type of gambling that is packaged in a way that resembles a form of investment. Considering that Binary Option transactions are carried out via online trading platforms, Binary Options can be categorized as a form of online gambling. As well as fraud committed by affiliates which is included in article 378 of the Criminal Code, which states that fraud is anyone who with the intention of benefiting themselves or others by violating their rights, either by using a false name or false circumstances, either by artifice or deception, or by making up false words, persuading people to give something, create a debt or write off a receivable.

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Affiliates Who Commit Violations

In the case of Binary Option trading, the trader, broker or platform and the influencer or affiliate indirectly enter into a contract that is valid in the eyes of the law, namely the influencer or affiliate says it is very easy to make a profit by playing Binary Options, even within a day the affiliate easily makes US \$1000 (Mahadiansar et al, 2019). With this information, there are traders who agree that they want to invest because they are interested in the influencer's personality and direct them to the Binary Option platform to invest their funds.

When the reality is discovered that the profits promised by the platform and affiliates do not match what they offer to invite traders to invest on their platform, traders feel cheated by the way Binary Options work, whose working system is not in accordance with the legal trading work system in Indonesia. in accordance with Law no. 32 of 1997 which was updated to become Law no. 10 of 2011, concerning commodity futures markets. Trading is a way of negotiating prices between consumers and traders until finally an agreement is established between consumers and traders. To make it easier to understand, trading is a form of business that takes the form of buying and selling activities, such as people buying and selling at a fruit market or supermarket.

The success of an affiliate when carrying out Binary Options promotions cannot be separated from the platform that provides the facilities. This is because each Binary Options platform has different options or a variety of certain services in their trading programs, and as a result traders can choose what suits their Binary Options trading activities. The Binary Options platform already has a name and is popular among others, namely Olymtrade (Cara-membedakan-trader. <https://www.ikiran-rakyat.com>), which means an online trading platform where users can make money by opening and closing positions, utilize their knowledge and experience regarding trading instruments to analyze asset price movements (Novina. <https://www.cnbciindonesia.com>). As is known, several currencies or foreign exchange, such as the Euro and the US Dollar, whose value can change at any time are influenced by several aspects such as the economy of a country. Likewise with the value of shares in a company, where the value of shares will also change, following economic movements. In Binary Options trading, there are 2 alternatives when a trader wants to open a trade on trade inflation, namely selecting the increase or decrease of a legacy number with a predetermined duration (expiry) limit. When the final time limit has been determined, then the alternative selected by the trader is correct, so it will create a profit, whereas if the alternative selected is wrong, then the trader will face loss or defeat.

In Binary Options trading there are two accounts, namely a real account and a demo account. The original account is the account that traders use to be able to deposit their money in a virtual account that is contained in the agreement as a consumer account and is used in carrying out Binary Option trading. On Olymtrade, the money that can be used in a real account is money in the form of US Dollars, so when a trader makes a deposit in rupiah, they want to convert it into US Dollars. Head of the HFX International Futures Commission, Sutopo Widodo, explained that Binary Options are a form of online trading instrument where traders calculate or predict the price of an asset to rise or fall at a certain time period. The method of using the Binary Option platform is actually quite easy and simple (This-difference-binary-option. <https://market.bisnis.com/>). Consumers only need to register on the Binary Option platform and make deposits. The amount of deposits on several platforms varies, but is usually US\$ 10. In the transaction, consumers who want to sort out legacy indicators, starting from currencies, stock indicators, to goods. After selecting the legacy indicators.

Consumer Protection for Binary Option Platform Users

Recently there has been a lot of information about fraudulent trading cases based on Binary Options, with one of the Binary Option platforms, namely Binomo, which has claimed 14 victims, some of whom have reported it and have experienced losses of approximately 25 billion rupiah (Igman Ibrahim. <https://www.tribunnews.com>), as well as the Binary Option platform Quotex amounting to 325 billion rupiah (Setyo Aji. <https://kabar24.bismus.con>). The very large amounts earned by affiliates, these very large amounts are the result of inviting their followers to follow the trades they market on their social media channels. Almost 70% is the platform profit obtained when traders incorrectly guess the ups and downs of prices in Binary Option trading and the profits are distributed to affiliates who succeed in inviting people to play using the platform they offer. The Chairman of the Investment Alert Task Force, firmly stated that the existence of these affiliates had actually violated the laws and regulations in Indonesia, one of which was Law Number 8 of 1999 concerning Consumer Protection (Getting to Know Binary Options. <https://m.tribunnews.com>). What is written in article 9 is that "business actors are prohibited from offering or promoting a service incorrectly, as if offering something that contains an uncertain promise. These are uncertain promises, this is a violation of the Consumer Protection Law."

Consumer or Service User Protection

Consumer protection is any form of effort that guarantees legal certainty to provide legal protection to consumers. The material that receives protection is not only the physical trader as a consumer of investment products and services, but also his abstract rights. These consumer rights are a form of consumer interest that must be protected and fulfilled properly by business actors. In other words, consumer protection itself is actually the protection given by law to consumers as well as obtaining their rights (Shidarta, 2004). According to Nasution (1995), consumer protection is consumer law which contains rules or principles that are

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regulatory and protect the interests of consumers (Rizka. <http://jurnal.umsu.ac.id>). It can be interpreted as all the legal rules and principles that deal with relationships and problems between one party and another party dealing with consumer goods and/or services (Rizka. <http://jurnal.umsu.ac.id>).

The definition of consumer protection in Article 1 paragraph (1) of Law Number 8 of 1999 concerning Consumer Protection (UUPK), is sufficient. It is hoped that the sentence that states "all efforts to ensure legal certainty" can be used as a shield to eliminate arbitrary actions that can cause losses to business actors for the sake of consumer protection. Even though this law is referred to as the Consumer Protection Law (UUPK), this does not mean that the interests of business actors are not taken into consideration, especially because the existence of the national economy is largely determined by business actors (RI Law Number 8 of 1999). Consumer protection that can be carried out is by requesting compensation for losses experienced by victims from affiliates.

Consumer Protection Objectives

The aim of legal protection for consumers is to increase the dignity of consumers, as well as indirectly encourage business actors to carry out business activities with a full sense of responsibility. Historically, consumers were considered to be very weak parties in carrying out business transactions and implementing special rules or regulations issued to protect consumer interests (Barkatulah, 2010). The position of consumers is very weak, so consumer protection is very necessary to provide comfort and security in transactions with business actors both offline and online (Oktapriyani, 2021).

The existence of the above requirements will raise the dignity of consumers, so that consumers themselves can be recognized as a subject in the economic system (Oktapriyani, 2021). With consumer protection, it is possible to monitor and block Binary Option activities which violate the provisions of Law Number 10 of 2011 concerning Commodity Futures Trading (Bappebti. <https://www.kominfo.go.id>). And through collaboration with the Ministry of Communication and Information (Kemenkominfo) by blocking Binary Option activities.

Legal Protection for Binary Option Service Users on the Basis of Affiliate Error

Binary Options are a new instrument that does not yet have a legal umbrella, so the laws and regulations in Indonesia do not yet regulate a comprehensive law enforcement system for Binary Option transactions. The existence of regulations and the implementation of these regulations will create legal certainty. A regulation is made to achieve order, legal certainty, and the aims of the law will not be achieved if there is no legal protection. Legal protection is an effort to protect and function real legal norms as guidelines for behavior or legal relationships in social and state life (Asshidiqie. <http://www.jimly.com>).

The legal protection in question is in the form of supervision, supervision is a preventive step to enforce compliance. The Binary Options platform cannot be categorized as a form of commodity futures trading. However, in marketing its products, the Binary Options platform advertises itself, giving rise to the misunderstanding that Binary Options is a form of futures trading business activity. Therefore, the institution authorized to supervise Binary Option transactions is BAPPEBTI.

To prevent the further development of the Binary Option platform in Indonesia, BAPPEBTI can conduct outreach regarding the illegality of Binary Option and the blocking of the Binary Option platform through collaboration with the Ministry of Communication and Information (Kemenkominfo). The authority of the Ministry of Communication and Information, namely to block content with negative content, is regulated in the Minister of Communication and Information Technology Regulation Number 19 of 2014 concerning Handling of Internet Sites with Negative Content (Article 4 of the Minister of Communication Regulation). In this case, BAPPEBTI can request cooperation in blocking the Binary Option platform. For example, in 2022, BAPPEBTI has collaborated with the Ministry of Communication and Information to block 1,222 entity website domains that do not have permission from Bappebti. Even though the blocking has been implemented, BAPPEBTI cannot stop the development of Binary Options in Indonesia. Because the Binary Options Platform will again create a new domain and advertise its products to the public through advertisements on social media or through social media influencer endorsements.

In order to monitor the compliance of financial services business actors with the implementation of consumer protection provisions, the Financial Services Authority can take coordinative steps between agencies to speed up the handling process through the collaborative framework of the Task Force for Handling Alleged Unlawful Actions in the Field of Fund Collection and Investment Management (Investment Alert Task Force). The Investment Alert Task Force was created through the Decree of the OJK Board of Commissioners Number 2/KDK.02/2020 dated March 3 2020 concerning the Establishment of a Task Force for Handling Alleged Unlawful Actions in the Field of Public Fund Collection and Investment Management. Through the Investment Alert Task Force, stopping and inhibiting the process of illegal investment cases, then inventorying and analyzing fraudulent investment cases, carrying out joint examinations of illegal investment cases, educating and socializing the dangers of illegal investment to the public (Role of the OJK. <https://sikapiuangmuojk.go.id>).

Legal Protection for Users of Affiliate Services in Binary Option Platform Transactions

The aim of legal protection is also given to affiliates who have promoted the Binary Option platform. Legal protection for the Binary Options platform is also very difficult because it is located abroad. It is very difficult for service users in Indonesia to prosecute Binary Options applications and it will cost a lot of money to resolve disputes. BAPPEBTI has also issued a statement that Binary Options are not a form of investment but rather a form of guessing gambling that resembles a form of investment. In Article 1783 BW jo. Article 1791 BW which clearly states that the law does not give the right to sue legally in the event of a debt incurred due to gambling or betting, a person who voluntarily pays his loss with money cannot claim his money back unless the winning party has committed fraud or deception, so that service users who are harmed by the Binary Option platform cannot pursue prosecution. There is no legal protection for losses experienced by Binary Option service users. Binary Option services are vulnerable to fraud committed online, fraud with internet access to deceive or take advantage of victims. Based on Article 28 paragraph of the ITE Law, what is meant by online fraud is "Any person who intentionally and without right spreads false and misleading news that resulting in consumer losses in electronic transactions." For these actions, perpetrators of online fraud can be subject to Article 45 A paragraph 1 of the ITE Law which reads: "Every person who intentionally and without right spreads false and misleading news which results in consumer losses in Electronic Transactions as intended in Article 28 paragraph (1) shall be punished with imprisonment for a maximum of 6 (six) years and/or a fine of a maximum of IDR 1,000,000,000.00 (one billion rupiah)."

V. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the study that has been carried out, the following conclusions can be obtained.

The losses caused by the affiliate to the trader, that with this liability, the affiliate is obliged to bear the lawsuit for spreading promotions or false news that the Binary Option service is a legal investment even though in fact the Binary Option service is illegal and is a guessing game or gambling game.

The legal protection provided is through the Investment Alert Task Force which actively advises the public to be more careful if they want to carry out investment activities. Until now, there are no definite regulations regarding Binary Option services. In this case, BAPPETI must be more active in preventing the spread and blocking the Binary Option platform. And the government is even more firm in taking action against affiliates who distribute or promote content on the Binary Options platform.

This study indirectly provides insight into the application for traders or investors to be more careful when making online investments and choosing the right online investment, as well as providing a view of legal protection by giving an appeal to the public to be more careful when they want to carry out investment activities. then it is necessary to think that:

For people who want to invest online, they must be more careful, and before starting to invest, traders or investors must search for what platform and type of investment to choose and must ensure whether the platform has a permit and is supervised by the Commodity Futures Trading Supervisory Agency and Financial Services Authority.

The government, through BAPPEBTI, must be more active in blocking the Binary Option platform and providing outreach to the public about the dangers of the Binary Option platform. The socialization provided can be through advertisements on television channels, YouTube and can also be collaborated with social media influencers, by educating through videos on social media applications.

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