

# Legal Perspective of Investment Risk Mitigation on Peer-to-peer Lending Platforms

Rusdiyanto Rohman Sahid, Rommy Hardyansah, Didit Darmawan,  
Dharma Setiawan Negara, Rafadi Khan Khayru

*Sunan Giri University of Surabaya, Indonesia*

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## ABSTRACT

*The introduction of Peer-to-peer Lending (P2PL) platforms have brought significant impact to the financial industry, offering lucrative investment opportunities but also posing various risks. One of the main challenges is the legal protection for investors who invest through these platforms. This study aims to examine the implementation of risk mitigation in P2PL investments in Indonesia through existing regulations, and how these regulations provide effective protection for investors. Using a normative juridical approach, this study identifies various legal provisions implemented by the Financial Services Authority (OJK), such as POJK Number 77/POJK.01/2016, which regulates information technology-based money lending services. The findings of this study show that while regulations have governed various aspects of P2PL operations, implementation challenges remain, particularly with regard to platform compliance and transparency. Stricter oversight and increased education for the society are needed so that investments in these platforms can take place safely and reliably. This study concludes that strengthening regulation and oversight are key to protecting investors and maintaining the sustainability and stability of the P2PL market in Indonesia.*

## INTRODUCTION

The development of information technology and financial digitalization in Indonesia has opened up many new opportunities, one of which is the emergence of P2PL platforms. This service allows individuals or business actors to make lending or investments directly through applications without going through traditional financial institutions such as banks. Without the involvement of conventional financial institutions such as banks, the lending process becomes faster, more flexible, and can reach groups of people who were previously unserved by the formal financial system. In recent years, P2PL platforms have developed rapidly, making financial access easier for society who were previously unreachable by the banking system (Sinha, 2022). While this convenience has many benefits, there are also risks that investors and lenders need to face in this digital ecosystem (Hartanto & Ramli, 2018). The risk of default, fraud, and personal data leakage are serious challenges in this ecosystem. Lack of public understanding of how platforms work and weak legal protection for users can increase vulnerability to financial loss.

P2PL offers a fast and convenient process for obtaining loans and making investments. It cuts through bureaucracy and brings borrowers and lenders together directly, ultimately saving time and money. This convenience is a major attraction for many small businesses and people who find it difficult to access conventional financing. For investors, P2PL provides a more flexible investment alternative with competitive returns. However, along with this convenience, the P2PL sector also carries some serious risks. Some of the issues that often arise in this sector include uncertainty in return on investment, losses due to failure of the lender, and the risk of bankruptcy of the platform itself (Yuspin et al., 2022). Without clear regulations and adequate legal protection, investors may be exposed to greater risks compared to other traditional forms of investment (Aprita, 2021). This demands serious attention to how to manage and mitigate the risks that arise in investing through P2PL platforms. Strong regulations and consistent law enforcement are in question to create a digital financial system that is safe and able to protect all parties involved.

\* Corresponding author, email address: [dr.rommyhardyansah@gmail.com](mailto:dr.rommyhardyansah@gmail.com)

Legally, the P2PL platform in Indonesia is still in a developing arrangement stage. The government through the OJK has issued regulations governing the operation of these services, such as OJK Regulation Number 77/POJK.01/2016 on Information Technology-Based Money Lending and Borrowing Services. This regulation governs various operational aspects, including the platform registration process, user data protection, and sound lending mechanisms. This step shows the government's commitment to creating a safe and reliable digital financial ecosystem for all parties. There are various challenges in its implementation, especially related to legal protection for investors. The existing regulations do not fully guarantee adequate risk mitigation, both in terms of information transparency, guarantees of lenders' payment obligations, and legal sanctions for business actors who do not fulfill their obligations (Rahadiyan & Hawin, 2020). This raises concerns that irresponsible business actors could still carry out practices that harm users.

The legal awareness of those investing in P2PL also needs to be considered. Many investors are tempted by the high returns offered without really understanding the business schemes and risks inherent in this digital lending model. This ignorance often leads to investors not conducting a thorough analysis or failing to read the legal provisions stated in the electronic contract, potentially leading to losses in the event of default or operational problems on the platform (Setiawan et al., 2020). This is due to a lack of education on the importance of risk mitigation that investors should apply before investing. Many of them are not aware of the importance of prudential principles in evaluating the credit risk level of borrowers, or understand whether the platform providers are registered and supervised by the Financial Services Authority (OJK). It is important to learn how the legal system can provide more effective protection for P2PL investors in Indonesia.

One aspect that needs to be studied more deeply is the risk mitigation efforts that can be taken by investors and the P2PL platform itself. With proper regulation and awareness of the importance of risk mitigation, it is expected that the P2PL sector can develop in a safer and more profitable way for all parties. Regulations such as POJK Number 77/POJK.01/2016 have started to regulate these aspects, but their implementation and oversight still need strengthening. In this case, a normative juridical literature study on the application of legal principles for risk mitigation in P2PL investments will provide a clear picture of the legal position of these platforms in Indonesia and how investors can be protected from risks that may arise (Sari, 2018).

One of the main problems that arise in the implementation of P2PL in Indonesia is the lack of clarity in the regulations that protect investors. While the OJK has issued regulations arranging this platform, in practice, these regulations are still unable to fully address the various issues faced by investors, such as uncertainty in the return of funds or the risk of loss due to the failure of the lender to repay the debt. The absence of guarantees for investors who experience losses in P2PL investments is one of the urgent issues to be resolved by regulators (Rahadiyan & Mentari, 2021). This situation is exacerbated by the lack of financial and legal literacy of most users, which makes them unaware of the consequences of the risks of investing in such digital platforms. As a result, investors are vulnerable to losses that can occur without the support of adequate dispute resolution mechanisms.

Another legal challenge faced is the need to strengthen oversight and audit mechanisms for P2PL platforms (Putri et al., 2021). Although the OJK has attempted to establish regulations through applicable regulations, the existing oversight has not been able to thoroughly anticipate the potential misuse of the system by irresponsible parties. Without strict oversight and adequate information transparency, these platforms can easily be misused by certain parties, including in terms of fraud or data manipulation that can harm investors. While the OJK has oversight of P2PL operations, the current mechanism is not effective enough to mitigate these risks. Strengthening this oversight needs to be supported by firmer regulations and a system that can ensure transparency in every transaction. With a more thorough and transparent supervisory approach, it is expected that the risk of abuse can be minimized and investor confidence in the sector can continue to grow.

The legal knowledge factor of investment actors is also an important issue. Many investors do not understand their rights in investing through P2PL platforms. They jump into P2PL investments without fully understanding the legal framework governing these transactions. This lack of understanding causes many investors to feel disadvantaged when facing losses or other problems. Education on the rights and obligations of the parties in this transaction is important so that investors can rely on the benefits and understand and mitigate the risks involved in their investment. A good understanding of the rights and obligations in P2PL transactions will help create a more transparent, safe, and fair ecosystem for all parties, and encourage the growth of this sector.

It is important to delve deeper into how legal regulation can play a role in mitigating the risks involved in P2PL platforms. The developing digital and fintech sector in Indonesia requires more comprehensive protection for the investors involved. Without clear protections in place, the sector can easily become entangled in problems that will hinder its progress and potential. This risk mitigation research can help create a safer and more trusted ecosystem, and encourage increased society participation in the business.

The government and regulators need to make further efforts to strengthen existing regulations, both in terms of transparency, oversight, and investor protection. For this reason, studies on how existing regulations can be more effective in mitigating risks are crucial. This will help create more appropriate policies that can better arrange the presence of P2PL in Indonesia's digital financial ecosystem.

The aim of this study is to examine the legal arrangements relating to investment risk mitigation on P2PL platforms in Indonesia. This study aims to understand how applicable regulations can provide effective legal protection for investors, as well as to assess the effectiveness of regulatory implementation in creating a safe ecosystem for investment actors. The results of this research are expected to provide constructive recommendations to increase regulatory and oversight policies on P2PL platforms, in order to ensure the sustainability and development of this sector in a healthy and equitable manner.

## **RESEARCH METHOD**

The research method used in this study is a literature study and normative juridical approach, which focuses on analyzing existing regulations related to investment risk mitigation on P2PL platforms in Indonesia. The aim of a literature study is to understand and summarize existing knowledge on a particular topic, as well as to find gaps or shortcomings in previous study that can be used as a basis for further research (Nasir, 2011; Mardikaningsih & Darmawan, 2013). Normative jurisprudence is often used in legal research to analyze legislation, legal doctrine, and court decisions, as well as to identify legal principles underlying a legal problem (Sunggono, 2006; Ali, 2016). This approach involves research of relevant legal sources, such as laws, government regulations, and policies relating to the P2PL sector, to understand how they regulate investor protection. The literature study will also involve researching various legal literature and previous studies that discuss the application of law in mitigating investment risks in the fintech sector.

Relevant literature will be analyzed to identify legal principles applied in risk mitigation and to evaluate the effectiveness of existing regulations in ensuring investor protection.

The normative juridical approach in this study aims to review and analyze legal provisions governing risk mitigation in P2PL investments, especially those stipulated by OJK and related institutions. This study also includes a comparison between the applicable legal provisions and the practices that occur in the field to assess the level of compliance of P2PL actors with these regulations. This study relies on various primary legal sources, such as OJK regulations and the Law on Banking and Fintech, as well as secondary sources in the form of articles and journals that discuss regulations and risk mitigation theories in fintech investments (Zainal Asikin, 2017; Subekti, 2018). These references will be used to provide an understanding of the role of legal in investor protection in the P2PL sector.

## **RESULT AND DISCUSSION**

In recent years, the digital finance industry in Indonesia has experienced a significant surge, with P2PL platforms being one of the fastest growing sectors. With rapid technological advancements, these platforms offer easy access for individuals and businesses to obtain financing without going through traditional financial institutions. This is very helpful for small businesses and individuals who find it difficult to obtain financing from conventional financial institutions. This flexibility and ease of access is the main reason for the rapid growth of P2PL in the Indonesian financial market. The high return on investment offered by these platforms also comes with a significant amount of potential risk, which can have a big impact on investors, especially those who are new to the world of digital investment.

The increasing number of transactions and users in P2PL creates new challenges related to the risks that may arise. Credit risk associated with the inability of lenders to repay lending, liquidity risk associated with difficulties in withdrawing invested funds, as well as operational risk that includes system errors or misuse of technology, are very important issues to be considered. This risk is often under-recognized by novice investors who are only tempted by high returns without understanding the return mechanism thoroughly. In the context of digitalization, technical glitches or weak information security systems can have a major impact on investor confidence. There is a need for comprehensive risk mitigation efforts to protect the interests of investors, so that they feel safe and protected in investing (Rahadiyan & Hawin, 2020).

The implementation of clear and structured regulations in the P2PL industry in Indonesia is an urgent need to maintain the stability and integrity of the digital financial sector. Given the nature of P2PL that connects directly between lenders and borrowers without the intermediary of traditional financial institutions, regulation is needed to ensure that the entire process takes place in accordance with prudential principles. These regulations aim to reduce potential losses due to risks, and increase transparency and accountability of platform operators. With proper regulations in place, investor trust in the sector can increase, encourage more participation in digital investment, and create a healthier and more sustainable financial ecosystem (Hartanto & Ramli, 2018). With the growth of public trust, the P2PL sector can become a strong financing alternative and be able to synergize with the broader national financial system.

One of the main efforts made by the Indonesian government in arranging the P2PL sector is by establishing the OJK Regulation N77/POJK.01/2016 on Information Technology-Based Money Lending Services. This regulation serves as a legal framework for P2PL operations in Indonesia and includes various provisions related to oversight and obligations of business actors to maintain transparency, manage risks, and protect investor rights. For example, the POJK requires P2PL providers to conduct due diligence on lenders and provide clear information on potential risks associated with the investment. This provides protection for investors by ensuring that they are provided with sufficient information to make informed investment decisions (Sari, 2018).

Based on this regulation, information technology-based money lending and borrowing services are defined as the provision of financial services that bring together lenders and lending recipients in rupiah currency directly through an electronic system that utilizes the internet network. P2PL is different from money lending services regulated in Article 1754 of the Civil Code of Indonesia. In a money lending agreement regulated in Article 1754 of the Civil Code of Indonesia, the parties involved consist of a lender and a lending recipient, where the legal relationship between them is established directly through the agreement. The lender has an obligation to give the other party a certain amount of goods that will be used up due to usage, provided that the recipient of the lending will return the same amount in a similar type and condition (Aprita, 2021). It is important to adjust legal and regulatory instruments to accommodate the special characteristics of digital transactions.

Meanwhile, in P2PL services, lenders do not interact directly with lending recipients, even between them may not know each other, because there is a third party, namely the P2P platform, which connects the interests between the two parties. In practice, platforms will conduct a selection process for borrowers, assess creditworthiness, and publish borrowers' profiles to potential lenders on their website or app. While the P2PL platform providers are similar to banks in that they receive funds from depositors and channel them through credit or financing facilities, they are not banking institutions. Banks function as business entities that collect funds from the society in the form of deposits and channel them to the society in the form of credit and/or other forms to improve the standard of living of the wider society. While there are similarities in the process of intermediating funds, fundamental differences in terms of legal structure, supervision, and responsibility towards customers or service users make P2PL platforms and banks not directly comparable.

In the banking system, the legal relationship between depositors and banks is based on agreements made between the two. The customer as the depositor submits a certain amount of funds to the bank on the basis of trust, and the bank has the obligation to save and manage these funds in accordance with the agreed type of deposit. Deposits themselves are funds entrusted by the society to banks based on deposit agreements in the form of demand deposits, time deposits, certificates of deposit, savings, and/or other equivalent forms. The Law Number 24 Year 2004 on Deposit Insurance Corporation (LPS) states that LPS has a function to guarantee customer deposits and play an active role in maintaining the banking system in accordance with its authority.

Given that companies that run P2PL platforms are not banking institutions, while lending through P2PL is similar to banking business activities, it is important to examine the legal relationship between lenders and companies that run P2PL platforms, which of course have different legal provisions compared to the legal relationship between depositors and banks. Certainty regarding this legal relationship is needed so that P2PL business activities are not classified as shadow banking (Hartanto & Ramli, 2018). This can lead to systemic losses, especially if there is misuse of funds or the platform is unable to fulfill its obligations. It is important for regulators to set clear boundaries on the roles, responsibilities, and authorities of P2PL platforms so that these activities are legal, safe, and do not violate the national financial system.

The OJK is an independent institution that has functions, duties, and authorities in regulation, oversight, examination, and investigation, as stipulated in Law Number 21 Year 2011 on the OJK. In the information technology-based money lending and borrowing system, OJK acts as an approver for the submission of registration and licensing of the system. This aims to ensure that providers operating in Indonesia have sufficient integrity, competence, and capacity to run digital financial services businesses responsibly. OJK also functions as a party entitled to receive periodic reports on the implementation of information technology-based money lending and borrowing systems. Through this reporting mechanism, OJK can monitor the platform's performance and compliance with applicable regulations, and take decisive steps if violations are found that harm consumers or investors.

The OJK also requires P2PL platforms to provide reserve funds that aim to cover credit risks that occur due to defaults by lenders. The existence of this reserve fund provides an additional layer of protection for investors, so that in the event of default, investors can obtain a portion of the lost funds. This system is one of the important risk mitigation efforts in maintaining the stability of the P2PL system and preventing significant losses for investors. This reserve fund is also regulated in POJK Number 77/POJK.01/2016, where the organizing platform is required to provide sufficient reserves in accordance with its size and risk characteristics. The regulation emphasizes the importance of proactive risk management from platform providers and encourages better governance. The implementation of the reserve fund policy is expected to create a more accountable P2PL ecosystem for all stakeholders.

While these regulations provide good protection, effective implementation in the field is still a challenge. Good regulations will not provide optimal results without compliance from organizers and strict supervision mechanisms from the authorities. One of the problems that often arise is the non-compliance or negligence of the organizers in carrying out their obligations in accordance with existing regulations. Some P2PL platforms are still found not to be transparent in providing information related to investment risks, as well as in selecting suitable lenders. This is certainly detrimental to investors who do not get clear information about the risks they face. Stricter oversight and legal enforcement are needed to ensure that regulations can be implemented effectively and provide optimal protection (Sari, 2018). Legal protection for investors can be realized and the P2PL sector can develop healthily through these measures.

Risk mitigation is the steps taken to prevent the emergence of various risks in the implementation of P2PL. The main focus in this study is the risk of non-performing lendings, which is often abbreviated as Non-Performing Lending (NPL). NPL related to P2PL are similar to bad lendings in the banking industry. This risk not only harms investors as funders, but can also undermine public confidence in the P2PL system as a whole. The causes of NPL can be divided into two categories, namely internal and external factors (Rahadiyan & Hawin, 2020). Understanding both types of factors is important for thorough risk mitigation. Platforms should be able to anticipate external factors through analyzing economic trends, as well as strengthen internal factors with good governance and the implementation of reliable technology.

Internal factors that can cause NPL include expansionary credit policies, irregularities in the implementation of credit procedures, bad intentions of the owner, and weaknesses in the information system that manages lendings. External factors include elements that are beyond the control of banks and debtors, such as debtor business failure, the utilization of an unfair competitive climate in the banking sector, as well as declining economic conditions and high lending rates (Tjandra, 2020). Macroeconomic aspects, both domestic and non-domestic, also contribute to this risk. For example, instability in the rate of economic growth during lending can be caused by weakening export performance and fluctuations in the rupiah exchange rate against the United States dollar (Rahadiyan & Mentari, 2021). It is important for all parties, including regulators, platforms, and investors, to carefully consider these factors in developing strategies to mitigate the risk of non-performing loans.

While the regulation regarding risk mitigation in the P2PL mechanism in Indonesia has not been specifically regulated, the implementation of risk mitigation remains an obligation that must be carried out by organizers and users, in accordance with the provisions of Article 21 POJK Number 77/POJK.01/2016. In granting credit in banking, credit analysis is usually carried out using the 5C and 5P principles. In the P2PL mechanism, there are no credit analysis terms similar to those applied in the banking sector. This is due to the characteristics of P2PL which is more open, fast, and digital, and involves the organizer as a connecting party, not as a party that distributes and bears risks directly. Due to the absence of specific regulations, each P2PL provider has a different approach in conducting risk mitigation to prevent NPL.



The 5C and 5P principles are two approaches often used in credit analysis, especially in relation to banking and financial institutions, to assess the eligibility of lenders and the risks associated with extending credit. The 5C principle starts with the lenders character, which includes his reputation and integrity. This involves assessing the lenders credit history, business experience, and honesty in meeting previous financial obligations. Good character indicates that the lender has the intention to repay the lending. Next, the lenders capacity to repay the lending also comes into focus. This involves analyzing the s income, cash flow, and existing debt burden, ensuring that the lender has sufficient income to cover the lending installments. The lenders capital is also an important consideration. Greater capital indicates that the lender has significant personal investment in the business, which can reduce risk for the lender. The collateral that the lender can provide is also evaluated. If the lender defaults, the lender can take over the collateral to reduce losses. Finally, economic and industry conditions that may affect the lender's ability to repay the lending are also analyzed. This includes factors such as interest rates, competition, and overall market conditions.

Meanwhile, the 5P principle focuses on the intended use of the lending funds. Lenders want to ensure that the funds will be used for productive purposes and can generate income. The lenders repayment plan is also a concern, covering the frequency and number of payments to be made, as well as the source of income that will be used to repay the lending. The profitability of the project or business financed by the lending is also analyzed, where the lender must demonstrate that the business can generate sufficient profit to cover the cost of the lending. Protection for the lender from risk is also considered, which could include insurance, guarantees, or other risk mitigation strategies (Rahadiyan & Hawin, 2020). Finally, the lenders position in the industry or market is evaluated, which includes an analysis of the lenders strengths and weaknesses compared to competitors, as well as future growth potential. Using these two principles, the 5Cs and 5Ps, lenders can have a comprehensive framework to evaluate a lenders risk and eligibility before extending credit.

Mitigating the risk of NPL in the implementation of P2PL in Indonesia currently does not have a specific regulation. Regulations related to risk mitigation to prevent NPL are still scattered in various existing regulations. Some relevant regulations include OJK Regulation Number 77/POJK.01/2016 on Information Technology-Based Money Lending and Borrowing Services,

OJK Regulation Number 18/POJK.03/2017 on Reporting and Requesting Debtor Information Through the Financial Information Service System, and OJK Regulation Number 13/POJK.02/2018 on Digital Financial Innovation in the Financial Services Sector. There is also Bank Indonesia Regulation Number 19/12/PBI/2017 which regulates the Implementation of Financial Technology.

While these regulations exist, there is no specific arrangement that comprehensively regulates NPL risk mitigation. The absence of provisions regarding the maximum NPL threshold is also a problem. This condition has implications for the lack of legal certainty and legal protection for parties involved in P2PL. It is important to develop clearer and more focused regulations so that NPL risk mitigation can be carried out effectively and provide adequate protection for all parties.

It is also important to note that risk mitigation in P2PL relies on formal regulations set by OJK, and on sound and ethical business practices of the P2PL platforms themselves. Existing regulations must be matched with ongoing oversight and legal enforcement of violations. In this case, the oversight conducted by OJK must be more proactive, including conducting regular audits and evaluations of registered P2PL platforms. With strict oversight, investors can feel safer because they know that there are institutions that oversee and ensure that P2PL platforms comply with established standards (Hartanto & Ramli, 2018).

One important aspect of risk mitigation is the obligation of P2PL providers to have adequate security systems to protect investors' personal data and financial transactions. In existing regulations, OJK requires P2PL platforms to protect users' personal data and use strong encryption systems to ensure transaction security. This is important to avoid data leaks that could harm investors, as well as maintain society trust in the industry. Information security also involves the obligation to conduct system audits and comply with standards set by regulators regarding personal data protection.

Besides to regulations issued by the OJK, the Indonesian government also seeks to address risks arising in the P2PL sector through broader legislation, such as Law Number 21 of 2011 on the OJK and Law Number 19 Year 2016 on Electronic Information and Transactions (ITE). These laws provide a legal basis for the regulation of the information technology-based financial services sector, and emphasize the importance of consumer protection and the integrity of digital transactions. This law emphasizes the importance of P2PL providers to maintain service quality and provide accurate and reliable information for investors (Zulfikar & Ardhira, 2019).

While the regulations and oversight are in place, implementation in the field sometimes encounters obstacles, both in terms of organizer compliance and investor ignorance of their rights and obligations. One important step that needs to be taken is to improve education to investors regarding the risks involved in P2PL investments. OJK and platform providers need to conduct a comprehensive education campaign to ensure that investors are well informed about the potential benefits and risks associated with their investments (Sari, 2018).

The P2PL sector must continue to innovate to improve their risk management system. The use of advanced technology, such as Artificial Intelligence (AI) and big data, can help providers in assessing lender risk more accurately. With a more sophisticated system, risk analysis can be done more comprehensively, making investment decisions more informed. This will also provide a sense of security for investors, as they feel that the platform has a transparent and effective system in managing risks.

The transparent rating and review system is also an effective form of risk mitigation. With the rating system of lenders who have used P2PL platform services, investors can see the track record of lenders and make more informed decisions. Platform providers need to provide a system that allows investors to access information related to lenders and the risks they face, including potential defaults. This will increase investor confidence and reduce the uncertainty involved in investing.

In order to optimize risk mitigation on P2PL platforms, regulations must also be flexible and able to adapt to the rapid technological developments in the digital world. The implementation of new technology in P2PL platforms needs to be balanced with regulatory updates that allow legal protection to be maintained. Collaboration between regulators, P2PL providers, and investors is essential in creating a safe and transparent ecosystem (Rahadiyan & Hawin, 2020).

The importance of risk mitigation in the P2PL sector lies in good arrangements, and in effective and consistent implementation. The government, as the regulatory authority, plays a major role in ensuring that the existing rules are implemented strictly and in accordance with the aim of protecting the interests of all parties. Meanwhile, platform providers also have a big responsibility in ensuring that the systems they manage run with high transparency and accountability, and always follow the development of established rules. The implementation of strong regulations requires coordination between these parties so that existing risks can be significantly minimized.

The good regulations are not enough if the society, as the main investor in this ecosystem, does not have an adequate understanding of their rights and obligations. There are many cases where investors have suffered losses not because of system weaknesses alone, but because of a lack of understanding of the P2PL mechanism and the risks involved. Continuous education is one of the pillars in creating a healthy and sustainable P2PL system. Well-informed investors will be better able to make wise decisions and manage their risks in a more measured manner. This will protect them from potential losses, and will contribute to general trust in the sector. These educational efforts not only benefit individual investors, but also make an important contribution to the stability of the P2PL industry in Indonesia.

Ultimately, the creation of a safe, transparent, and sustainable P2PL ecosystem is not the result of one party alone, but rather a synergy between various stakeholders. Strict oversight and consistent implementation of regulations, coupled with adequate education for investors, will strengthen the sector as one of the financing alternatives that can provide substantial economic benefits. This sector can develop healthily, provide higher confidence to the society, and help promote financial inclusion in Indonesia.

## CONCLUSION

Mitigating risks in investing in P2PL platforms in Indonesia through existing regulations is an important step in providing legal protection for investors. Regulations established by OJK, such as POJK Number 77/POJK.01/2016, provide a clear and firm legal basis in regulating P2PL operations and organizers' obligations to protect investors. Implementation of regulations in the field is still faced with challenges related to compliance and transparency of the organizing platform, which requires stricter oversight and more effective legal enforcement.

The implications of the results of this discussion indicate that the regulations that have been implemented are able to provide basic protection for investors, but there is still a need for increased efforts in terms of stricter oversight and legal enforcement. This aims to increase investor confidence in the P2PL platform. Education to the society regarding their rights and obligations as investors in this platform is also very necessary to minimize the potential risks faced by related parties. Improving the quality of regulation and continuous oversight will ensure that the P2PL industry develops in a healthy and stable manner.

It is suggested that the government through OJK strengthen the oversight and audit system of P2PL platforms, by introducing more sophisticated technology in risk analysis. Strict oversight will help ensure that registered platforms comply with applicable regulations and do not harm investors. Education to the society on how to invest safely and smartly in P2PL platforms should continue so that they can understand the potential risks faced.

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