

Reconciliation of National Laws and Foreign Agreements: Legal Certainty for MSMEs in Export-Import

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ABSTRACT

International trade, particularly in the context of exports and imports, is one of the main pillars of global economic development. In Indonesia, micro, small and medium enterprises (MSMEs) play an important role in the domestic economy, but often face complex legal challenges. This study aims to analyse the reconciliation mechanism between national law and foreign agreements in international contracts for MSME exports and imports. Using qualitative literature study methods, this study identifies regulations that are still in force, including the Constitution of the Republic of Indonesia, the Civil Code, and laws related to trade and arbitration. The results of the study show that the existing legal framework provides legal certainty and protection for MSMEs, as well as creating an environment conducive to cross-border transactions. This study also highlights the importance of harmonization between national and international laws to prevent disputes and increase the competitiveness of MSMEs in the global market. These findings are expected to provide recommendations for the development of better policies to support MSMEs in international trade.

INTRODUCTION

International trade in the form of exports and imports has become one of the foundations of global economic development, with the involvement of micro, small and medium enterprises (MSMEs) as the driving force of the domestic economy in many countries, including Indonesia. MSMEs continuously face challenges in the dynamics of laws applicable in cross-border transactional chains. International contract law regulates the interests of parties in international trade, ensuring legal protection and reducing the potential for disputes. However, most MSMEs often have limited access to knowledge about the legal mechanisms of contracts applicable abroad, which can potentially lead to legal and economic risks (Pratama, 2023). This condition emphasizes the need to improve international legal literacy for MSMEs so that they are no longer in a vulnerable position.

The issue is further complicated by the interaction between national laws, which are subsidiary in nature, and foreign treaty laws, which often raise questions regarding jurisdiction, validity, and contract enforcement. Law No. 11 of 2008 concerning Electronic Information and Transactions

(ITE) and Minister of Trade Regulation No. 19/M-DAG/PER/5/2009 are some of the domestic regulations that MSME players must pay attention to. On the other hand, the existence of international conventions such as the United Nations Convention on Contracts for the International Sale of Goods (CISG) also often creates legal dualism in the settlement of import-export contract disputes (Wulandari, 2021). Similar tensions between national and global frameworks are also found in the field of intellectual property law. Yani et al. (2023) in their study highlight the challenges of protecting well-known brands in Indonesia, which are caught between existing national regulations and the global challenge of counterfeiting, demonstrating the complexity of legal harmonization in the era of borderless trade. This complexity is clearly reflected in law enforcement efforts at the operational level. Herman et al. (2023), in a study on law enforcement for trademark infringement on clothing products, found that consumer protection and healthy market competition require effective enforcement against infringements that are often cross-border in nature, which again highlights the challenge of bridging national interests with the realities of global trade.

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This fact demonstrates the urgency of harmonizing legal concepts to avoid gaps or overlaps in norms in international trade practices.

In practical terms, the orientation of MSMEs towards international markets requires legal adaptability to avoid confusion over interpretation and overlapping norms. The integration of domestic regulations and international contract principles places businesses at a crossroads of adapting to applicable legal rules. This situation of regulatory uncertainty is a crucial managerial challenge. As analyzed by *Mardikaningsih and Darmawan (2021)*, the development of business sustainability strategies is highly dependent on the ability to respond to and manage regulatory uncertainty, which is a determining factor in business resilience. If not handled with selective and reconciliatory mechanisms, MSMEs will find it difficult to obtain justice and legal certainty. Therefore, regulatory readiness is an important foundation for the sustainability of MSME business expansion in the global market.

In the process of reconciliation between national law and international agreements, the interpretation of the principle of subsidiarity is very important. Focusing on aspects such as choice of law, choice of forum, and the validity of contractual provisions are crucial aspects that require concrete legal understanding and solutions. This shows that analytical capacity regarding the structure of international contracts is a strategic necessity for MSMEs.

The development of digital technology and globalization has accelerated the complications in regulatory harmonization, driving the urgency of harmonization between national and international laws as the foundation for SME import-export business planning. These dynamic underlines the need for regulatory updates that are responsive to the acceleration of global change. On the other hand, digitalization also affects business marketing strategies (*Darmawan et al., 2023*).

The absence of a single guideline on determining the applicable law in export-import contracts raises concerns for MSMEs, especially regarding the recognition and enforcement of contracts outside national jurisdiction. Interpretations of the applicability of the principle of subsidiarity often result in different perceptions among law enforcement officials and parties, creating potential legal uncertainty for MSMEs. This phenomenon reinforces the need for clearer and more operational legal guidelines.

The regulation of contracts in export-import is

also often influenced by international provisions that require business actors to adhere to the principles of fairness, prudence, and good faith as recognized by international civil law. However, there are often discrepancies between the understanding of the concept of good faith in national and international law, which has an impact on the interpretation of contract content and the dispute resolution process. Such differences in interpretation threaten the stability of business relationships, thus requiring contractual instruments designed to prevent them. *Wibowo et al. (2021)* emphasize that the effectiveness of contractual instruments in preventing business disputes and ensuring legal stability is highly dependent on the clarity and ability of the contract to anticipate differences in legal interpretation.

MSMEs often face challenges in adjusting contractual documents to meet the requirements of their trading partners, in addition to difficulties in identifying which Indonesian national regulations should take precedence when there is a conflict with foreign agreements. This results in MSMEs being vulnerable to losing their legal rights over exported or imported products and services. Essentially, legal uncertainty in both international and domestic transactions can lead to losses. By way of comparison, *Supriyanto et al. (2023)* show how uncertainty in the fulfilment of obligations by domestic freight forwarders impacts consumer losses, which is parallel to the vulnerability of MSMEs due to international legal uncertainty.

The expansion of the scale of MSME exports and imports during a period of global economic transition requires a new understanding of the regulatory framework and effective contractual protection mechanisms for business actors. Various changes in domestic regulations and the intensity of foreign trade necessitate adjustments to legal strategies in business agreements.

In an effort to promote the competitiveness of MSMEs, harmonization between national law and international agreement principles is one of the main pillars of dispute prevention and business security. This understanding is an important foundation for strengthening an adaptive business legal system that can also bring positive consequences for aggregate national economic development.

This study aims to analyse the mechanism of reconciliation between national law and foreign agreements in international export-import contracts for MSMEs. The analysis was conducted to identify common ground, potential conflicts, and synergies between the two legal frameworks. The goal is to formulate recommendations based on applicable

national regulations in order to create legal certainty and optimal protection for business actors in cross-border transactions.

In addition, this study analyses the role of national regulations in the settlement of SME export-import disputes, particularly through arbitration institutions and the recognition and enforcement of foreign judgments. The analysis focuses on the effectiveness of the domestic legal framework in supporting internationally recognized alternative dispute resolution mechanisms, thereby strengthening the legal position and reducing the vulnerability of MSMEs in cross-jurisdictional dispute resolution forums.

RESEARCH METHOD

This study uses a qualitative literature review method with a thematic synthesis approach to analyse the legal aspects of international contracts in MSME exports and imports, as well as the reconciliation between Indonesian national law and international agreements. This method was chosen for its ability to explore the complexity of legal phenomena through in-depth interpretation of various text sources, enabling researchers to build a holistic understanding of the interaction between legal, economic, and social dimensions in MSME international contract practices. The qualitative approach provides space to identify gaps between legal theory and implementation in the field, as emphasized in the qualitative research methodology framework (Silverman, 2016).

The data collection process was carried out through the identification and systematic review of relevant academic sources, including journals, books, and current legal documents. The inclusion criteria applied included publications within the last 20 years, a focus on specific valid legal issues, and a good academic reputation. Sources that did not meet these criteria were excluded from the analysis to maintain the credibility of the research findings. Through this rigorous curation process, this study aims to build a solid theoretical foundation for the legal analysis of international contracts in the context of Indonesian MSMEs.

In the analysis stage, the collected data will be organized through thematic coding based on emerging patterns and conceptual relationships. This process involves grouping findings into conceptual categories such as legal harmonization, information asymmetry in contracts, the legal capacity of MSMEs, and dispute resolution mechanisms. This systematic approach to thematic analysis is in line with the principles of rigorous qualitative data organization

and interpretation (Silverman, 2016), which enables researchers to develop a comprehensive conceptual map of the legal landscape under review. Quality assurance is carried out through verification of all sources used, ensuring that each reference has a valid DOI or ISBN and is accessible through official links, resulting in an academically accountable analysis.

RESULT AND DISCUSSION

Reconciliation of National Legal Subsidiarity and Foreign Agreements

The principle of reconciling national law and foreign agreements in international contract law for SME exports and imports is rooted in the Indonesian legal system, which places the 1945 Constitution of the Republic of Indonesia (UUD 1945) as the highest source of law. The 1945 Constitution recognizes the validity of ratified international agreements, including those covering international trade relations. In this case, it is important to understand that national law must serve as the main foundation for regulating contractual relationships. National law plays a role in providing legal certainty and protection for business actors, especially in the SME sector, which often faces challenges in adapting to international law.

In contract law, the Indonesian Civil Code (KUHPer) regulates the valid terms of agreements and the principle of freedom of contract. This shows that even though there are applicable international norms, national law still prioritizes domestic interests. According to Zaki (2021), international contract law must be integrated with national regulations in order to provide better protection and legal certainty for business actors. Thus, it is important for MSMEs to understand how national and international law can complement each other.

When export-import contracts involve foreign parties, ratified international law, as stipulated in Law No. 24 of 2000 on International Agreements, becomes relevant. International agreements adopted by Indonesia have binding legal force, so business actors must pay attention to these provisions in every international transaction. This is in line with Pratomo (2016) view, which emphasizes the need for harmonization between national and international laws to achieve legal certainty in international trade.

The integration of foreign agreement provisions and national regulations requires business actors to have a comprehensive understanding of the applicable legal instruments so that potential disputes can be minimized from the contract clause drafting process. Awareness of the applicability of international treaty principles encourages MSME

actors to priorities caution and regulatory compliance in the drafting of legal documents, so that any rights and obligations that arise do not cause ambiguity of interpretation in the future. In practice, the synergy between these two legal norms strengthens the bargaining position of Indonesian business actors when negotiating with partners from other countries, particularly in terms of providing legal certainty regarding dispute resolution clauses and the choice of applicable law.

Furthermore, the existence of ratified international agreements is clear evidence of Indonesia's commitment to protecting legal certainty in global trade and encouraging the application of international regulatory standards by all parties. These regulations serve as a tool to reduce the potential for irregularities or violations in cross-border transactions, requiring every business actor to constantly update their knowledge of these rules in order to maintain the continuity of their business. The consistent application of the principles of international agreements can increase the trust of foreign trading partners and provide positive incentives for new investment growth in the MSME sector.

In addition, periodic adjustments to various export and import regulations enable the government to evaluate the effectiveness of laws in response to the dynamics of international trade. The authority of national authorities to recognize the validity of ratified agreements ensures equal legal protection for domestic and foreign businesses within the national legal sphere. This aspect clearly emphasizes that strengthening the legal framework based on the ratification of international agreements is a strategic step towards building a fair, competitive and sustainable trading climate at the global level.

The reconciliation between national law and foreign agreements is also evident in regulations on international trade, particularly through Law No. 7 of 2014 on Trade. This law provides a strong legal basis for business actors, including MSMEs, to carry out export and import activities legally and in a structured manner. As explained by Apriani and Said (2022), this regulation protects domestic interests while opening opportunities for MSMEs to compete in the global market. The regulatory framework in the law details the procedures for carrying out exports and imports, administrative requirements, and business protection provisions that must be complied with by all business actors, so that there is legal certainty that can be used as a guide in cross-border business activities. The regulation also governs the mechanisms for supervision and

law enforcement, providing assurance that violations of trade provisions can be responded to decisively in order to maintain national economic stability. Thus, the contribution of regulations that provide legal certainty is not only national in scale, but also an important pillar in building broader economic resilience. As analysed by Nurhadi et al. (2023), effective legal protection for MSMEs is a strategic foundation for achieving regional economic stability in Indonesia, which in turn creates a more supportive macro environment for MSMEs to grow and be competitive, including in international trade.

The establishment of export-import product quality standards as an absolute requirement in this law encourages the improvement of MSME competitiveness through adaptation to internationally recognized global regulations. In addition, the existence of clear legal instruments provides formal legitimacy to domestic business actors to negotiate within a legal framework recognized by both parties, thereby minimizing the potential for disputes. The systematization of registration and certification requirements for export and import operators as stipulated in this law also accelerates the process of integrating MSMEs into a broader international trade network. Regulations related to the comprehensive guidance and protection of MSMEs strengthen the small business ecosystem so that it remains able to survive and thrive despite facing competition and external challenges in global trade. The implementation of derivative legal instruments from this law also ensures dynamic adjustments to changes in world trade policy, so that MSMEs can remain responsive to various international market demands.

In addition to creating certainty and facilitation, a comprehensive legal framework must also be able to ensure a healthy competitive climate. Sudiruddin et al. (2023) emphasize the importance of optimizing the principles of fair business competition and the role of the business competition supervisory agency (KPPU) in creating a fair economy, which is a prerequisite for the creation of a business ecosystem that supports the sustainable growth of MSMEs. The harmonization of regulatory content with international provisions in this law is a form of the government's commitment to providing certainty, protection, and opportunities for sustainable growth for Indonesian MSMEs at the global level.

The harmonization of national law with international provisions can be seen in the implementation of provisions in the World Trade Organization (WTO) agreement. Through Law No. 7 of 1994 concerning the Ratification of the Agreement

Establishing the WTO, Indonesia is committed to following international norms in trade. This creates synergy between national and international regulations that support MSMEs in accessing global markets. According to Poae (2019), this commitment facilitates business actors in understanding and applying best practices in international contracts. The existence of this law clarifies the operational standards that must be obeyed by business actors in all export-import activities, so that legality and legal certainty can be optimally maintained.

In addition, the regulatory content that is specifically formulated in relation to WTO principles requires transparency, openness of information, and fairness in cross-border trade efforts. The strengthening of regulatory content is reflected in the most-favored-nation and national treatment principles, which require equal treatment of products and business actors from member countries, creating a conducive and fair competitive environment. The regulations also underline the importance of integrated anti-dumping, subsidy, and intellectual property rights protection policies to protect national business interests and encourage MSME innovation. The provisions related to trade dispute settlement regulated in this law strengthen Indonesia's position in international forums and provide an effective resolution channel for domestic business actors. The instruments for strengthening supervision, evaluation, and regular adjustment of trade policies mandated in this law demonstrate the state's commitment to dynamic adaptation without neglecting legal certainty. The comprehensive integration of national regulatory harmonization with international norms in the content of the regulation ensures greater opportunities for SME growth and protection through a legal system that is adaptive and responsive to global trade developments.

In practice, the government has an obligation to align national regulations with international commitments. For example, through Law No. 20 of 2008 on MSMEs, which promotes the protection and empowerment of small businesses. As stated by Sedyastuti (2018), this regulation serves to ensure that MSMEs are not only protected by domestic law but also have competitiveness in the international market. This creates an environment conducive to the growth of MSMEs on a global scale. The regulation clarifies the boundaries and criteria for MSMEs, which underlie the provision of incentives, financing facilities, and access to training and business assistance.

However, the success of utilizing this conducive environment is highly dependent on the internal competence of business actors. Mardikaningsih et al. (2022) emphasize that SME competence is a key determinant of business survival amid competition. In the contemporary era, these competencies and competitiveness increasingly encompass broader aspects of sustainability. Marsal and Da Silva (2023) examine the implementation of ESG (Environmental, Social, and Governance) principles in Indonesian business law, which shows that environmental, social, and good governance responsibilities have become an integral part of regulations and global competitiveness challenges, including for MSMEs. The strengthening of regulatory components is also reflected in the regulation of the legal protection system for intellectual property, given that recognition of innovation is an important factor for the survival of small businesses in global competition. The existence of norms regarding ease of licensing and simplification of bureaucracy provides MSMEs with opportunities to improve operational efficiency so that they are able to penetrate foreign markets. At the individual level, factors such as education also influence perceptions of licensing. Mardikaningsih and Arifin (2021) examined the relationship between education level and interest in and consequences of small business licensing. In addition, national regulations that are in line with international standards open up access to strategic partnerships and global distribution networks, which indirectly increase the added value and bargaining power of domestic products. Adjusting the substance of regulations based on developments in global trade dynamics ensures that MSMEs remain protected from various risks, while being encouraged to continuously improve the quality, capacity, and reliability of their products.

Government Regulation No. 29 of 2021 concerning the Implementation of Trade also regulates the procedures for export and import contracts. This regulation emphasizes the importance of clear and transparent procedures in the implementation of international transactions, so that business actors can carry out their business processes more effectively. According to Aji et al. (2023), this regulation is an important step in creating legal certainty for business actors, especially MSMEs, which often face obstacles in understanding complex regulations. The strengthening of the regulation's content is reflected in the systematic arrangement of the requirements and procedures for preparing contract documents so that all parties involved obtain protection and certainty regarding their rights

and obligations. The regulation also encourages the use of information technology in import-export administration, which can speed up processing times and reduce the potential for administrative errors.

In addition, provisions regarding quality standards, product verification, and monitoring mechanisms reinforce the government's position as a facilitator for the creation of an accountable and efficient import-export system. The imposition of administrative and criminal sanctions for violations of the procedures in these regulations demonstrates the state's commitment to maintaining discipline and professionalism in cross-border transactions. However, normative commitments in the form of sanctions need to be supported by effective enforcement. As revealed in a study by Yunus et al. (2023) on the enforcement of legal sanctions against business actors, there are often implementation constraints that create a gap between the existence of regulations and their effectiveness in the field. The harmonization of substantive elements in these regulations with technical implementing regulations and international rules facilitates adaptation for MSME actors to remain competitive and protected in dynamic global competition.

The principle of subsidiarity in this case does not mean rejecting international norms, but rather placing national law as the main basis that must be harmonized with foreign agreements. This harmonization aims to create legal certainty, protection for MSMEs, and adherence to agreed global commitments. Therefore, it is important for business actors to understand and utilize existing regulations to increase their competitiveness.

In order to optimize the potential of MSMEs in the international market, business actors must be proactive in learning about applicable regulations, both national and international. By doing so, they can take advantage of existing opportunities and reduce the risks that may arise from a lack of understanding of applicable laws. Proper management of the legal aspects of international contracts can provide SMEs with a competitive advantage in the global market.

Overall, reconciling national law and foreign agreements within the scope of international contract law for SME exports and imports is not merely an option, but a strategic necessity. This necessity arises from the demands of global business realities, which place SMEs at the intersection of two legal frameworks that must work in synergy. Effective harmonization between these two systems creates a coherent legal foundation that can reduce uncertainty, mitigate the risk of disputes, and provide a clear legal map for every cross-border transaction.

By understanding and optimizing the synergistic relationship between these two legal systems, SME business actors can adapt more nimbly and utilize existing regulations as instruments to advance their businesses, whether in contract negotiations, dispute resolution, or meeting international standards. Ultimately, the legal certainty established through this reconciliation will drive sustainable economic growth, enhance the global competitiveness of SMEs, and in turn strengthen their significant contribution to the resilience and progress of the national economy.

The Role of Indonesian National Regulations in Supporting Legal Certainty for MSMEs in Cross-Border Export-Import Transactions

The role of Indonesian national regulations in supporting legal certainty for MSMEs in cross-border export-import transactions is closely related to the legal framework that has been established and remains in force to this day. The Civil Code remains the main basis for regulating the validity of agreements and the principle of freedom of contract. Thus, import-export contracts made by MSMEs have clear legal legitimacy. Civil law provides a strong foundation for business actors to implement the agreements they make, while ensuring that the rights and obligations of both parties are properly regulated.

Law No. 7 of 2014 on Trade provides a normative basis for international trade procedures. This regulation stipulates the obligations of business actors to meet the established import-export standards and provides protection for small business actors so that they are not disadvantaged in cross-border transactions (Muhni, 2023). This protection needs to be strengthened with guarantees for a healthy business competition climate within the country. Indarto et al. (2023) emphasize that a legal framework to mitigate monopolistic practices that harm MSMEs is a key element in creating a supportive ecosystem in which MSMEs can grow and become competitive before entering the global market. With this law in place, MSMEs can engage in international trade with greater confidence, as they are protected by laws that regulate their rights in international business processes.

In addition, Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises affirms the state's commitment to providing protection, empowerment and legal certainty for MSMEs, including in international trade activities (Pudjiastuti, 2022). This regulation provides support for MSMEs to develop their capacity and

competitiveness in the global market. Therefore, MSMEs involved in import-export can take advantage of various support programmed provided by the government, including training and access to market information, to improve the quality of their products and services.

Government Regulation No. 29 of 2021 concerning the Implementation of Trade provides more technical regulations on trade contracts, export-import mechanisms, and trade dispute resolution. This is very important for MSMEs, as clear and detailed regulations reduce the uncertainty often encountered in international transactions. With the right guidance, business actors can understand the steps that must be taken to conduct legal import and export in accordance with applicable regulations.

On the other hand, Law No. 24 of 2000 concerning International Agreements ensures that every foreign agreement that has been ratified becomes part of the national legal system. This means that cross-border contracts made by MSMEs are not only valid under Indonesian law but also recognized within the international legal framework. This provides stronger legal certainty for MSMEs operating in the international market, making it easier for them to establish cooperation with foreign trading partners.

Legal certainty is also reinforced by Law No. 7 of 1994 concerning the Ratification of the Agreement Establishing the WTO, which makes multilateral trade provisions part of national law. With this provision, MSMEs engaged in import-export operations operate within a system that is in line with global standards, thereby reducing the risk of disputes and increasing the trust of foreign trading partners. Compliance with international standards is an added value for MSMEs in attracting the interest and trust of foreign business partners.

The national regulations that are still in force serve as a foundation that balances the protection of domestic interests with adherence to international commitments. This is important for creating a business climate that is conducive to MSMEs, where they are not only protected but also encouraged to innovate and compete at the global level. Therefore, strengthening regulations and policies that support MSMEs in the context of international trade is a priority for the government.

In its implementation, these regulations need to be effectively disseminated to business actors, especially MSMEs, so that they understand their rights and obligations in export-import transactions. Training and workshops can be a means to increase MSMEs' understanding of applicable regulations

and how to utilize them in their businesses. With adequate knowledge, business actors can be better prepared to face challenges in the international market and take advantage of existing opportunities.

Overall, national regulations in Indonesia play a fundamental role in creating legal certainty for MSMEs in cross-border import and export transactions. A clear legal framework, as contained in the Trade Law and its derivative regulations, provides a solid normative foundation. With this certainty, MSMEs can operate with greater confidence, plan long-term business strategies, and manage legal risks more effectively, ultimately increasing their competitiveness in the international market.

This increase in competitiveness directly contributes to national economic growth and resilience, making MSMEs an important pillar in Indonesia's economic structure. Therefore, efforts to continuously strengthen, harmonies, and update these regulations in response to developments in international standards and the ever-changing dynamics of the global market are a strategic necessity. Adaptive and proactive regulatory updates will ensure that the legal certainty that has been established can continue to be a major driver in facilitating the expansion and success of Indonesian MSMEs on the global stage.

The Role of Indonesian National Regulations in Supporting Legal Certainty for MSMEs in Cross-Border Export-Import Transactions

Within the scope of legal certainty for MSMEs conducting cross-border export-import transactions, Indonesian national regulations play an important role not only in regulating contract mechanisms but also in providing legally recognized dispute resolution channels. The Civil Code remains the main basis for the validity of agreements and the principle of freedom of contract, so that export-import contracts made by MSMEs have domestic legal legitimacy. However, when cross-border disputes arise, national regulations provide a choice of resolution mechanisms, either through national courts or through arbitration (Minarosa, 2018). In the dispute resolution process, the professional integrity of law enforcement officials also plays a role. Saktiawan et al. (2021) discuss ethical principles in legal advocacy to uphold justice.

Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution is an important instrument because it provides a legal basis for parties to resolve commercial contract disputes through arbitration, including international arbitration (Fitrianingrum et al., 2016). This is in line

with the principle of freedom of contract, which allows the parties to determine the forum for dispute resolution in the contract clause. With this regulation, MSMEs involved in import-export have the certainty that disputes can be resolved quickly, confidentially, and with a final and binding decision. The strengthening of this regulation is evident in the affirmation of the principle of equality before the law, which guarantees the rights of each party without discrimination. This regulation also requires transparent and accountable settlement procedures, thereby preventing potential unilateral abuse of the process.

Provisions regarding the recognition and enforcement of international arbitration awards are explicitly acknowledged, reducing the possibility of obstacles to the enforcement of arbitration awards in various jurisdictions. In addition, easy access to information on dispute resolution encourages MSME players to be more confident in conducting cross-border transactions. The formulation of strict legal norms on the protection of the rights and obligations of the parties encourages the creation of a modern, effective dispute resolution culture that is adaptive to the dynamics of global trade.

In addition, Indonesia has also ratified the 1958 New York Convention through Presidential Decree No. 34 of 1981, which regulates the recognition and enforcement of foreign arbitral awards. This ratification ensures that international arbitral awards can be recognized and enforced in Indonesia, thereby providing legal certainty for MSMEs that enter into contracts with foreign partners. Thus, national regulations not only protect domestic interests but also open access for MSMEs to use globally recognized international forums. The integration of the principles of this convention into the national legal system increases the confidence of foreign investors and business actors to partner with Indonesian companies.

Furthermore, the applicability of the convention's provisions reduces uncertainty and obstacles in the enforcement of cross-border arbitration awards, while providing legal protection against possible transnational disputes. This regulation reinforces Indonesia's position as a country that is responsive to international best practices in trade dispute resolution, thereby supporting the creation of a healthy and competitive business climate at the global level. The detailed description of the mechanism for implementing decisions is regulated so as not to give rise to multiple interpretations, thereby achieving certainty and fairness for all parties. Openness to the

recognition of foreign legal systems through this convention also significantly expands the network and business opportunities for MSMEs, optimizing the potential for Indonesian products to be exported to various markets around the world.

This entire legal framework demonstrates that legal certainty for MSMEs in cross-border transactions is guaranteed through a combination of national laws governing contracts and small business protection, as well as adherence to international commitments that enable effective dispute resolution through international arbitration. With this harmonization, MSMEs can participate in global trade with confidence because national regulations support their position while recognizing internationally applicable dispute resolution mechanisms. The availability of clear written norms reduces ambiguity in the implementation of cross-border cooperation, thereby increasing legal protection for small businesses. These integrated legal standards minimize the risk of protracted disputes that could potentially undermine the stability of MSME businesses. The integration of international dispute resolution systems with national legal instruments also enhances the credibility of Indonesian businesses in the eyes of foreign partners. Thus, these legal instruments strengthen the bargaining position of MSMEs in international trade negotiations and encourage sustainable business growth. The implementation of consistent and adaptive regulations to global changes creates certainty and fairness, providing the MSME sector with a solid foundation to compete and grow in the global market.

CONCLUSION

In an era of increasing globalization, the role of MSMEs as drivers of the domestic economy has become increasingly significant, especially in the arena of international trade. This study shows that Indonesia's national regulations play an important role in supporting legal certainty for MSMEs in cross-border import and export transactions. Through an integrated legal framework, including the Constitution of the Republic of Indonesia, the Civil Code, and various laws related to trade and small businesses, MSMEs can ensure that the contracts they enter into have strong legal legitimacy.

The importance of harmonization between national laws and international agreements is also highlighted in this study. In facing complex legal challenges in cross-border transactions, MSME actors are expected to understand and utilize existing regulations in order to operate with greater

confidence in the global market. With support from the government and a good understanding of regulations, MSMEs can reduce potential legal risks and increase their competitiveness in the international market.

In addition, the role of regulations in dispute resolution through arbitration and the recognition of international judgments is an important aspect that provides legal certainty for MSMEs. With the availability of internationally recognized dispute resolution mechanisms, MSMEs can resolve their problems more efficiently and effectively. This creates a more conducive business environment, where business actors feel secure in conducting cross-border transactions.

Based on the findings of this study, it is recommended that the government continue to strengthen and update regulations that support MSMEs in international trade. Better dissemination of information about applicable regulations and the

provision of training related to international contract law can increase the understanding of MSME actors and help them adapt to the dynamics of the global market.

In addition, it is important to create a single guideline on determining the applicable law in import-export contracts to reduce the legal uncertainty faced by MSMEs. Through better harmonization between national and international laws, MSMEs can be better prepared to participate in global trade, thereby contributing to overall national economic growth.

This study is expected to provide useful insights and recommendations for the development of legal policies that support MSMEs in the context of international trade. Through a better understanding of applicable regulations, MSMEs are expected to optimize their potential and contribute more significantly to the Indonesian economy.

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