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DIGITAL CARTEL IN THE FINTECH P2P LENDING INDUSTRY: Review of KPPU Decision Number 05/KPPU-I/2025 and the Sufficiency of Article 5 of Law No. 5 of 1999

[1] Sulung Nugroho, [2] Setiyo Utomo, [3] Deny Slamet Pribadi
Faculty of Law, Universitas Mulawarman, Samarinda, Indonesia, 75119
Faculty of Law, Universitas Mulawarman, Samarinda, Indonesia, 75119
Faculty of Law, Universitas Mulawarman, Samarinda, Indonesia, 75119
(sulungnugroho@fh.unmul.ac.id), (setiyoutomo@fh.unmul.ac.id), (denypribadi88@gmail.com)

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Abstract

The digital economic transformation has driven the rapid growth of the peer-to-peer (P2P) lending fintech industry in Indonesia. However, alongside this growth, price-fixing coordination practices have emerged through the self-regulation mechanisms of industry associations, potentially violating competition law. This study examines the Business Competition Supervisory Commission (KPPU) Decision Number 05/KPPU-I/2025, which imposed sanctions on 97 P2P lending fintech companies for engaging in an interest rate-fixing cartel through the code of conduct of the Indonesian Joint Funding Fintech Association (AFPI). This research aims to construct these interest rate-fixing practices as a form of digital cartel and to assess the adequacy of Article 5 of Law Number 5 of 1999 in addressing digital cartel practices. This study employs normative legal research using a statutory approach and a case approach. The legal materials consist of primary legal sources, namely Law No. 5 of 1999 and KPPU Decision No. 05/KPPU-I/2025, as well as secondary legal sources including books, journals, articles, and antitrust doctrines. The analysis techniques applied are interpretive and argumentative, using legal reasoning. The results indicate that the interest rate-fixing practice through AFPI's self-regulation mechanism can be constructed as a digital cartel. This is because the association's code of conduct serves as a medium for price coordination among competitors, the interest rate ceiling aligns price expectations and strategies resulting in behavioral alignment, and the state action doctrine defense is applicable due to the absence of explicit delegation of authority and active state supervision. Furthermore, this study finds that Article 5 of Law No. 5 of 1999 has limitations in reaching digital cartel practices, particularly regarding the evidence of the "agreement" element, which is traditionally difficult to establish in coordination mediated by associations and self-regulation. Consequently, a reinterpretation of the price-fixing concept and a more adaptive legal reform tailored to digital market characteristics are required, including regulations concerning algorithmic collusion and the role of industry associations in price coordination.

Keywords: Digital Cartel, Self-Regulation, P2P Lending Fintech, Competition Law, KPPU, Article 5 of Law No. 5 of 1999.

I. INTRODUCTION

1.1 Background

The digital economic transformation has driven a significant increase in transaction activity on online lending platforms as part of *the platform economy expansion* . *The peer-to-peer lending industry* is no longer a peripheral sector, but has become a crucial hub of the national digital economy. Financial Services Authority data shows that *outstanding* fintech lending financing in February 2025 reached IDR 80.07 trillion , growing 31.06% year-on-year , and increasing to IDR 82.59 trillion in May 2025. In fact, in September 2025, the industry's *outstanding financing value* reached IDR 90.99 trillion , and increased to IDR 92.92 trillion in October 2025.[1] This growth demonstrates that online lending platforms have developed into digital financing infrastructure with significant economies of scale and systemic influence on the financial services market. The high transaction volume, user penetration, and significant financing flows within the fintech ecosystem indicate that pricing mechanisms in this sector can no longer be understood solely as a private matter between business actors, but rather are intertwined with broader digital market governance.[2]

In fact, in the context of this growth, the issue of business competition becomes increasingly relevant. The larger the scale of transactions and market concentration in the digital ecosystem, the greater the potential for coordinated behavior with anti-competitive implications, including through collective price fixing. [3]This relevance was strengthened when the Business Competition Supervisory Commission (KPPU), through Decision Number 05/KPPU-I/2025, imposed a total fine of IDR 755 billion on 97 fintech P2P lending companies, members of the AFPI, in March 2026 for their interest rate-fixing cartel practices, which were declared to violate Article 5 of Law Number 5 of 1999.[4] The ruling marks that the issue of pricing in the online lending sector can no longer be read only as an industry compliance issue, but also as a legal issue. digital cartel in *the platform economy ecosystem* . This is where a fundamental problem arises: Indonesian competition law was designed to address conventional cartels, while price coordination in digital markets can be mediated by associations, platform architecture, algorithms, and more complex *self-regulatory mechanisms.*

The concept of a conventional cartel is fundamentally based on the assumption of traditional markets, namely the existence of explicit agreements between competitors to set prices, limit production, or divide markets. [5]However, the digital economy presents more complex characteristics. In digital ecosystems, anti-competitive coordination can emerge through algorithmic coordination, which is the adjustment of price behavior through systems and algorithms without the open agreements of traditional cartels.[6]

Furthermore, the network effects of the platform economy create distinct market dynamics, as the growing number of users actually strengthens the market position and power of business actors. [7]This situation can give rise to subtle forms of market coordination that can have anti-competitive effects. [8]Similarly, through platform governance, platform actors or industry associations can exercise private regulatory functions through shared standards, codes of ethics, or collective policies, which under certain circumstances have the potential to become a medium for covert collusion.[9] This phenomenon is increasingly relevant as the digital industry relies heavily on self-regulatory mechanisms, which, on the one hand, are considered efficient in regulating innovation-based industries, but on the other hand, have the potential to justify coordinative behavior that violates the principles of fair competition. In this context, cartels are no longer merely present in the form of *traditional cartels* , but have evolved into digital cartels, namely anti-competitive coordination

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[1] Nadia K Putri and Vicky Rachman, 'OJK Records 28% Increase in Outstanding P2P Lending Financing in March 2025', *https://Swa.Co.Id/Read/459503/Ojk-Catat-Outstanding-Pembiayaan-P2p-Lending-Meningkat-28-Di-Maret-2025* , accessed on April 4, 2026, at 14:20 WITA

[2] Ayesha Siddiqui, Arti Yadav, and Najib HS Farhan, 'Digital Transformation of Financial Services in the Era of Fintech', in *Fintech and Cryptocurrency* (wiley, 2023), pp. 13–33 <https://doi.org/10.1002/9781119905028.ch2>.

[3] Svetlana B. Avdasheva and Islam Z. Geliskhanov, 'Transaction Cost Economics: Lessons from Past Reforms and Potential for the Digital Economy', *Russian Journal of Economics* , 11 (2025), 237–68 <https://doi.org/10.32609/j.ruje.11.156897>.

[4] Hanifah Dwi Jayanti, '97 Pinjol Sanctioned with Billions of Rupiah Fines, KPPU Exposes Collective Interest Determination Practices', *https://Www.Hukumonline.Com/Berita/a/97-Pinjol-Disanksi-Denda-Miliaran-Rupiah--Kppu-Bongkar-Praktik-Penetapan-Bunga-Kolektif-Lt69c689ede04ad/.* April 4, 2026, at 14:26 WITA.

[5] Andreas Bovin and Iwan Bos, 'Market Shares as a Collusive Marker: Evidence From the European Truck Industry', *Journal of Economics and Management Strategy* , 2025 <https://doi.org/10.1111/jems.12645>.

[6] Bharat Bhole and Sunita Surana, 'Tacit Collusion by Pricing Algorithms', *Economic Inquiry* , 63 (2025), 1036–65 <https://doi.org/10.1111/ecin.70004>.

[7] Alexander Kennedy, 'Analysis of Competition Law of Online Marketplace Platforms in the Digital Economy Era', *Ethics and Law Journal: Business and Notary* , 2 (2024) <https://doi.org/10.61292/eljbn.243>.

[8] Ratna Dewi and others, 'The Role of the Business Competition Supervisory Commission as a Referee and Judge in Economics', *Collegium Studiosum Journal* , 7 (2024), 481–96 <https://doi.org/10.56301/csj.v7i2.1417>.

[9] Martin Peitz, 'Governance and Regulation of Platforms', in *Handbook of New Institutional Economics* (Springer Nature Switzerland, 2025), pp. 565–93 <https://doi.org/10.1007/978-3-031-50810-3_23>.

practices mediated by technology, platform architecture, associations, and digital governance instruments.[10] The problem is that Article 5 of Law Number 5 of 1999 concerning the prohibition on price fixing was formulated in the context of conventional markets and has not been explicitly designed to address the complexities of digital cartels. [11]The challenges of proving the elements of "agreement," *"concerted action* ," and identifying *digital collusion* indicate the need for reinterpretation of norms to ensure competition law remains responsive to the transformation of the digital economy.

On the other hand, academic studies in Indonesia on cartels are still dominated by discussions of conventional cartels, such as those involving food, tenders, or strategic commodities. Studies specifically examining the adequacy of Article 5 of Law No. 5 of 1999 in addressing digital cartel practices in the fintech industry, particularly following KPPU Decision No. 05/KPPU-I/2025, are still relatively limited. This gap constitutes *a research gap* in this study.

1.2. Problem Formulation

Based on the background and novelty built, the following problem formulation was born: How can the practice of setting interest rates through self-regulation mechanisms in the fintech industry in KPPU Decision Number 05/KPPU-I/2025 be constructed as a form of digital cartel, and to what extent can the concept of cartel in Indonesian competition law reach this form of anti-competitive coordination based on platform governance? And Is the prohibition on price fixing in Article 5 of Law Number 5 of 1999 still adequate to assess digital collusion practices in the platform economy ecosystem, or is a reinterpretation of competition law norms necessary to respond to the character of the digital market?

1.3. Research Objectives and Urgency

Based on these conditions, this research is crucial for analyzing the nature of digital cartels in the fintech industry and reexamining the relevance of the price-fixing prohibition under Indonesian competition law in the digital era. Furthermore, this research aims to offer a reinterpretation of *the price-fixing concept* to make it more adaptable to evolving business competition practices in the digital era.

II. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1. Competition Law in Indonesia

The main normative basis of competition law in Indonesia is Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. Article 5 paragraph (1) of the Law states that business actors are prohibited from making agreements with competing business actors to determine the price of goods and/or services that must be paid by consumers or customers in the same relevant market. The prohibition in Article 5 is per se illegal, meaning that price-fixing agreements are absolutely prohibited without requiring further proof of the negative impacts they have on consumers and business competition. [12]This approach differs from the rule of reason approach, which requires proof of anti-competitive effects. As emphasized in jurisprudence, price-fixing is universally classified as per se illegal under competition law. However, the law provides exceptions to this prohibition, namely if the price-fixing agreement is made in a joint venture or is based on applicable law (Article 5 paragraph (2)). [13]This exception is a central point in the P2P lending fintech case, considering that the defendants argue that the determination of the interest rate ceiling was carried out at the direction of the Financial Services Authority (OJK).

[10] Rara Puspita Sasta Yuliandini and Kukuh Tejomurti, 'Leniency Program as an Effort to Uncover Cartel Practices in the Digital Economy Era', *Indonesian Journal of Social Sciences and Humanities* , 5.2 (2025), 230–42.
[11] Jens Uwe Franck and Martin Peitz, 'THE DIGITAL MARKETS ACT AND THE WHACK-A-MOLE CHALLENGE', *Common Market Law Review* , 61 (2024), 299–344 <https://doi.org/10.54648/COLA2024024>.
[12] Dimas Aryadiputra, Deny Slamet Pribadi, and Aryo Subroto, 'Differences in the Application of the Per Se Illegal Approach and the Rule of Reason in the KPPU Decision on Price-Fixing Cartels', *Legal Report* , 18 (2022), 1–19 <https://doi.org/10.30872/risalah.v18i1.753>.
[13] Akhmad Farhan Nazhari and Naufal Irkham, 'Analysis of Alleged Predatory Pricing Practices and Abuse of Dominant Position in the E-Commerce Industry', *Journal of Business Competition* , 3 (2023), 19–31 <https://doi.org/10.55869/kppu.v3i1.85>.

2.2. The Concept of Cartels in Competition Law

In conventional competition law, a cartel is understood as an explicit agreement between competitors to fix prices, limit production, or divide markets. [14]The elements that must be proven in a cartel include an agreement or consensus between the business actors, *concerted action* , and the resulting anticompetitive impact.[15] In practice, the Business Competition Supervisory Commission (KPPU) does not always require a written agreement. Evidence of economic behavior can include communication, planning, and agreements through various media, as found in previous cartel cases. The concept of *concerted action* itself is defined as the result of actions taken by business actors, where communication between cartel members does not have to be visible. [16]This is important considering that in fintech cases, price coordination occurs through association mechanisms and codes of ethics, rather than through direct written agreements between companies. The KPPU has also adopted a *leniency program* as an instrument to uncover cartel practices, allowing the first business actor to report and cooperate with authorities to obtain sanctions relief or exemption.

2.3. Digital Cartels and Algorithmic Collusion

The development of the digital economy has given rise to new forms of anticompetitive behavior that cannot be fully understood through the conventional cartel framework. A digital cartel refers to anticompetitive coordination practices mediated by technology, algorithms, platform architecture, or digital governance mechanisms.[17] One of the most challenging phenomena is *algorithmic collusion* , which involves pricing or market behavior achieved through artificial intelligence systems. In this scenario, pricing algorithms can independently monitor competitors' prices in real time and adjust their pricing strategies accordingly. Over time, multiple AIs in a market can learn that avoiding price wars and secretly coordinating to maintain higher prices is mutually beneficial, effectively creating a digital cartel that harms consumers.[18]

The evidentiary challenges presented are significant. In a conventional cartel, law enforcement must prove an agreement, communication, or *"coordinated practice"* between competing firms. However, in *algorithmic collusion* , there is no *"smoke-filled room"* or actual communication between individual cartel members. Artificial intelligence autonomously achieves collusive equilibrium based on the data and functions it has been given. This requires a paradigm shift in regulatory thinking, with competition authorities developing new tools to detect such tacit collusion and potentially moving toward legal standards that focus on the adverse market outcomes of algorithmic pricing, rather than solely on the intent or agreements of the firms involved.

Internationally, various jurisdictions have begun to respond to this challenge. The European Union, in its latest Horizontal Guidelines, acknowledged the relevance of algorithmic collusion to the cartel prohibition, emphasizing that companies remain responsible for pricing decisions implemented through algorithms, and that the use of automated tools does not shield anticompetitive behavior from scrutiny. The United States and other jurisdictions have also begun examining algorithmic pricing tools and price signaling mechanisms that align competitors' prices in ways that raise competition concerns. In Indonesia, the Commission for the Competitiveness of the Indonesian Market (KPPU), through Commission Regulation No. 4 of 2022 concerning Determination of the Relevant Market, has defined the digital economy as all economic and business activities that use the internet, including those supported by artificial intelligence.

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[14] Davit Basiashvili and Slava Fetelava, 'Legal and Practical Aspects of Cartel Detection and Prevent', *The New Economist* , 19 (2024), 48–56 <https://doi.org/10.36962/nec19022024-48>.

[15] Roxana Denisa Vidican and Raul Alexandru Hepeș, 'THE IMPACT OF ANTI-COMPETITIVE CARTEL AGREEMENTS ON CONSUMERS AND THE ECONOMY IN GENERAL', *AGORA INTERNATIONAL JOURNAL OF JURIDICAL SCIENCES* , 16 (2022), 73–79 <https://doi.org/10.15837/aijjs.v16i2.5137>.

[16] David Spector, 'Cheap Talk, Monitoring and Collusion', *Review of Industrial Organization* , 60 (2022), 193–216 <https://doi.org/10.1007/s11151-021-09851-w>.

[17] Mihály Fazekas and others, 'Public Procurement Cartels: A Large-Sample Testing of Screens Using Machine Learning', *International Journal of Industrial Organization* , 104 (2026) <https://doi.org/10.1016/j.ijindorg.2025.103228>.

[18] Andrea Pawliczek, A. Nicole Skinner, and Sarah LC Zechman, 'Facilitating Tacit Collusion Through Voluntary Disclosure: Evidence from Common Ownership', *Journal of Accounting Research* , 60 (2022), 1651–93 <https://doi.org/10.1111/1475-679X.12452>.

2.4. Platform Governance and Self-Regulation in the Digital Economy

Platform-based industries are rapidly changing and involve many parties with differing interests. Therefore, industry self-regulation is often considered more appropriate than rigid and uniform government regulations. In the fintech sector, self-regulation is crucial because regulators often lack in-depth technical expertise, allowing industry players to leverage their knowledge and experience more effectively. The concept of *platform governance* describes a situation where business actors or industry associations create their own rules, for example through codes of ethics, shared standards, or collective policies. [19]In Indonesia, the Joint Funding Fintech Association (AFPI) fulfills this role by issuing a code of conduct that regulates various matters, including maximum loan interest rates.

However, problems arise when *self-regulation* , which is supposed to improve industry efficiency and compliance, turns into a tool for unfair price coordination. [20]In a case handled by the KPPU (Commission for the Indonesian Trade Unions), the Indonesian Food and Drug Administration (AFPI) set a ceiling on interest rates at 0.8% in 2018 and then lowered it to 0.4% in 2021. [21]Although AFPI claimed it was only a maximum limit, not a fixed price, the KPPU assessed that the ceiling actually led all companies to set prices at the same level, thereby eliminating competition. This case demonstrates that *self-regulation* is a double-edged sword: on the one hand, it helps the industry adapt quickly, but on the other, it can be misused to engage in unlawful anti-competitive coordination. In this context, cartels are no longer just traditional agreements but have evolved into digital cartels, namely collusive practices facilitated by industry associations and digital governance.[22]

2.5 . *State Action Doctrine* in Competition Law

The state action doctrine excludes government actions from the scope of competition law. [23]This doctrine recognizes the supremacy of state regulatory policies over independently adopted competition law. In the context of Indonesian competition law, this doctrine correlates with Article 50 paragraph (a) of Law No. 5 of 1999, which excludes acts or agreements aimed at implementing applicable laws and regulations.[24] To determine whether an action qualifies for exclusion under *the state action doctrine* , *the Midcal test is used* , which measures two parameters: first, *clear articulation* of the behavior must be explicitly permitted by applicable law; and second, *active supervision* means the existence of active supervision by the state.

In the fintech P2P lending case, the companies accused of the crime argued that it should not fall within the KPPU's jurisdiction. They argued that the interest rate cap policy they implemented was not their own initiative, but rather was implemented based on directives from the Financial Services Authority (OJK). [25]They argued that because the policy originated from the government (in this case, the OJK), their actions should be exempt from competition law oversight under the state *action doctrine.* However, the KPPU (Commission for Financial Services Authority) rejected this argument. The KPPU argued that the Financial Services Authority (OJK) had never officially regulated online lending interest rates through written regulations. Instead, it delegated the matter of determining interest rates to the Indonesian Financial Services Authority (AFPI), an industry association. The KPPU also questioned the claim that the OJK actually directed the policy, as the purported directive was only verbal and lacked written evidence or official records

[19] Konrad Degen and Alexander Gleiss, 'Time to Break up? The Case for Tailor-Made Digital Platform Regulation Based on Platform-Governance Standard Types', *Electronic Markets* , 35 (2025) <https://doi.org/10.1007/s12525-024-00747-7>.
[20] Mirna Rahmadina Gumati, 'Digital Sovereignty or Regulatory Overreach? The Case of Indonesia's Platform Registration Policy', *Competition and Regulation in Network Industries* , 25 (2024), 131–46 <https://doi.org/10.1177/17835917251392903>.
[21] 'AFPI Together with 97 Smart Platforms Deny Price Fixing Allegations from KPPU by Warta Ekonomi', *Https://Id.Investing.Com/News/Stock-Market-News/Afpi-Bersama-97-Platform-Pindar-Bantah-Tuduhan-Penetapan-Harga-Dari-Kppu-2868711* .
[22] Islam Z. Geliskhanov, 'Digital Platform Governance Structures: A Case Study of Yandex Taxi', *Voprosy Ekonomiki* , 2024 (2024), 76–106 <https://doi.org/10.32609/0042-8736-2024-9-76-106>.
[23] BAMBANG PURWANTO, 'The Refraction Between Act of State Doctrine and Jurisdictional Immunity', *Ganec Swara* , 17.3 (2023), 1171 <https://doi.org/10.35327/gara.v17i3.559>.
[24] M. Ramadoni Ali Saputro and Eka Jaya Subadi, 'Legal Implications of Article 50 Letter B of Law No. 5 of 1999 on Franchise Agreements in Indonesia', *Private Law* , 5.2 (2025), 484–92.
[25] Hanifah Dwi Jayanti, 'KPPU Will Read Out the Decision on the Pinjol Case, Alleged Interest Cartel Involves 97 Reported Parties', *Https://Www.Hukumonline.Com/Berita/a/Kppu-Bakal-Bacakan-Putusan-Kasus-Pinjol--Dugaan-Kartel-Bunga-Libatkan-97-Terlapor-Lt69cba6ce1728f/* .

to support it. Therefore, according to the KPPU, two requirements for an exemption were not met: first, there was no regulation clearly authorizing AFPI to set interest rates; and second, the OJK did not conduct any actual oversight over the determination of these interest rates.[26] This test is crucial because it determines whether the actions of AFPI and its members constitute compliance with legitimate regulations, which should be exempt from competition law, or constitute anticompetitive coordination that exceeds the regulatory mandate. In international practice, courts in the United States have shown reluctance to invoke *antitrust arguments* in heavily regulated economic sectors, while the European Union provides limited *antitrust immunity* for social objectives and essential state functions. Indonesia, through KPPU Decision No. 05/KPPU-I/2025, appears to have taken a stricter position by rejecting the application of *the state action doctrine* when there is no explicit delegation of authority and active oversight by the state.

III. RESEARCH METHOD

To answer the two stated research questions, this study employs a normative legal research approach. Normative legal research, often referred to as doctrinal research, relies on legal literature as its primary source. [27]This approach was chosen because the research focuses on interpreting and examining legal norms contained in legislation and testing their consistency and suitability with field practices, specifically the KPPU's decisions and the digital economy. This type of research is highly relevant because the core of the problem lies in the gap between the conventional norms of Article 5 of Law No. 5 of 1999 and the increasingly complex reality of digital cartel practices in the fintech industry.

In its implementation, this research uses two main approaches: a statute approach *and* a case approach . The statute approach is carried out by examining all regulations related to business competition and fintech issues, particularly Law Number 5 of 1999, as well as derivative regulations such as Commission Regulation No. 4 of 2022 concerning Determination of the Relevant Market and various Financial Services Authority regulations in the fintech sector. This review goes beyond the text of the norm but also explores the ratio legis of each provision to understand the intention of the legislators in formulating the prohibition on price fixing. Meanwhile, the case approach is used to analyze KPPU Decision Number 05/KPPU-I/2025 in depth. Through this approach, the decision is examined from the legal facts, the panel's considerations, the construction of evidence, and the verdict. The case approach is also expanded by comparing this decision with previous conventional cartel decisions to highlight points of difference and identify new patterns that characterize digital cartels. In addition to these two main approaches, a conceptual approach is used to a limited extent to explore doctrines such as digital cartels, algorithmic collusion, platform governance, and state action doctrine, which form the framework for this research.

The legal materials used in this study consist of primary legal materials and secondary legal materials. Primary legal materials are binding and serve as the primary authority in the study, including: Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition; KPPU Decision Number 05/KPPU-I/2025 concerning Alleged Violations of Article 5 of Law Number 5 of 1999 concerning Information Technology-Based Money Lending Services; and other implementing regulations such as KPPU Regulations and OJK regulations relevant to the regulation of fintech P2P lending. Secondary legal materials serve to provide explanations and analyses of the primary legal materials, sourced from competition law textbooks, scientific articles in national and international journals, seminar papers, expert opinions (doctrines), and previous research results relevant to the topic of cartels and the digital economy. In this study, secondary legal materials (such as books, journals, and articles) play a very important role. This is because the topic of digital cartels is still relatively new and continues to develop. Therefore, researchers need to explore a wide range of sources to develop a robust analytical framework. This legal material was collected through literature review, including searching physical and electronic libraries, searching scientific journal databases, and visiting the official websites of the KPPU and OJK.

Next, all collected legal materials were analyzed using interpretive and argumentative techniques, employing legal logic. To analyze the legal materials, this study employed several interpretive techniques. First, grammatical interpretation, which interprets the words in the law according to their everyday meaning. Second, systematic interpretation, which examines the relationship between one article and another in Law No. 5 of 1999. Third, teleological interpretation, which examines the actual goals of the lawmakers in prohibiting price fixing. These three techniques were

[26] Fitri Novia Heriani, 'A Number of Notes on the KPPU Decision in the Pinjol Case', *https://Www.Hukumonline.Com/Berita/a/Sejumlah-Catatan-Atas-Putusan-Kppu-Dalam-Perkara-Pinjol-Lt69f5c3bb3e49c/* .
[27] Muhamad Muhdar, *Doctrinal and Non-Doctrinal Research* (Samarinda: Mulawarman University Press, 2019).

used to test whether Article 5 can be interpreted more broadly to encompass the phenomenon of digital cartels. Furthermore, this research employs argumentative techniques, namely constructing a coherent legal line of reasoning to answer the questions in the problem formulation. [28]Specifically, this technique is used to explain two things: first, how AFPI's self-regulatory practices can be classified as a digital cartel; and second, to what extent Article 5 is sufficient to address these dynamics.

In developing its arguments, this study employs deductive logic, drawing conclusions from general legal rules and then applying them to specific cases. However, this study also does not preclude the use of inductive logic, drawing general conclusions from specific cases and then suggesting the need for legal reform. [29]By combining these various analytical techniques, this study is expected to produce legal interpretations that are not simply rigidly textual but also responsive to current social and technological changes.

IV. DISCUSSION

4.1. The Construction of a Digital Cartel in KPPU Decision No. 05/KPPU-I/2025

4.1.1. Legal Facts and Case Chronology

The case that is the object of study in this research began with a Preliminary Examination conducted by the Business Competition Supervisory Commission (KPPU) on August 14, 2025. [30]The examination was aimed at investigating alleged violations of Article 5 of Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition in the information technology-based money lending service industry (fintech P2P lending). [31]From the results of the preliminary examination, KPPU found strong indications of collective price fixing practices facilitated by the Indonesian Joint Funding Fintech Association (AFPI).

In this case, the KPPU named 97 fintech P2P lending companies as defendants. This number is a record in the history of competition law enforcement in Indonesia, as the KPPU has never before handled a case with such a large number of defendants in a single decision. All of the companies named as defendants are members of the Indonesian Financial Conduct Authority (AFPI) and are subject to the provisions and guidelines issued by the association. This demonstrates that this case not only concerns competition law violations by a few companies, but also involves nearly all business actors in the Indonesian fintech P2P lending industry.

The main allegation in this case concerns an agreement to set a ceiling on interest rates, regulated by *a code of conduct* issued by the Indonesian Financial Transactions Association (AFPI). In this code, AFPI sets a maximum interest rate that its members may charge consumers. This provision is binding on all members and includes a monitoring mechanism and sanctions for violators. [32]This practice is strongly suspected of creating price coordination among competitors who should be competing fairly in the fintech P2P lending market.

After a lengthy and in-depth examination process, the KPPU panel finally delivered its verdict on March 26, 2026. The panel declared all reported parties guilty of violating Article 5 of Law No. 5 of 1999 and imposed a total fine of Rp755 billion. [33]The fine was imposed jointly and severally, with each company being fined 1% of their total assets based on their financial statements as of December 2023. This verdict not only impacts the 97 fintech companies reported

[28] Edy Lisdiyono, 'BUILDING LEGAL ARGUMENTATION CRITICALLY IN THE LITIGATION MECHANISM IN INDONESIA (Empirical Study of Court Decisions)', *Sriwijaya Law Conference* , 2016, 13–23 <http://journal.fh.unsri.ac.id/index.php/SLCon/article/view/781>.

[29] Tia Ludiana, Agi Attaubah Hidayat, and Diding Jalaludin, 'Legal Reasoning Techniques: Deductive, Inductive, and Abductive in Legal Construction in Indonesia UIN Sunan Gunung Djati Bandung, Indonesia, Email':, *Jurnal Hukum Positum* , 10.2 (2025), 355–80.

[30] Kompas Cyber Media, 'The Largest Hearing in KPPU History, 97 Loan Companies Reported for Alleged Cartel', *https://Kilasbadannegara.Kompas.Com/Kppu/Read/2025/08/14/223017326/Sidang-Terbesar-Dalam- Sejarah-Kppu-97-Perusahaan-Pinjol-Jadi-Terlapor-Dugaan* , 2025.

[31] Mochamad Januar Rizki, 'KPPU Will Soon Hear the Rp1,650 Trillion Loan Case', *Https://Www.Hukumonline.Com/Berita/a/Kppu-Segera-Sidangkan-5perkara-Pinjol-Rp1650-Triliun-Lt681093bb4714c/* , 202AD.

[32] Grahanusa Mediatama, 'This is the Chronology Behind AFPI's 2018 Interest Rate Determination of 0.8%', *https://Keuangan.Kontan.Co.Id/News/Ini-Kronologi-Di-Belik-Penetapan-Bunga-08-Oleh-Afpi-Pada-2018* .

[33] Kompas Cyber Media, 'Pindar Association Denies Allegations of Loan Interest Rate Determination Agreement', *https://Money.Kompas.Com/Read/2025/09/16/115515726/Asosiasi-Pindar-Bantah-Tuduhan-Kesepakatan-Penetapan-Bunga-Pinjaman* .

but also sets an important precedent for the enforcement of competition law in the digital economy sector more broadly. KPPU Decision No. 05/KPPU-I/2025 marks a milestone in competition law enforcement in Indonesia, particularly in responding to the increasingly complex dynamics of the digital economy. [34]For the first time, the KPPU explicitly stated that *self-regulation mechanisms* through industry associations could be a medium for unlawful anti-competitive coordination. This decision also demonstrates that the KPPU does not hesitate to impose significant sanctions even though the reported parties argue that their actions were based on regulatory directives. Thus, this decision is a strong signal that Indonesian competition law is ready to face the challenges of the digital economy, despite the lingering uncertainties and normative limitations that need to be addressed.

4.1.2 Pricing Mechanism through AFPI Self-Regulation

To understand the digital cartel structure in this case, it is first necessary to thoroughly understand the price-fixing mechanism implemented through AFPI's *self-regulation* . The chronology of interest rate ceilings began in 2018, when AFPI first issued guidelines of conduct setting a maximum daily interest rate limit of 0.8%. This provision was subsequently revised in 2021, lowering the maximum daily interest rate to 0.4%. [35]This reduction was intended to protect consumers from excessively high interest rates and to address public complaints about the prevalence of online loans with extreme interest rates.

According to AFPI's testimony in court, the determination of the interest rate ceiling was made at the direction of the Financial Services Authority (OJK). As the regulator of the financial services sector, the OJK has a mandate to protect consumers from harmful financial practices. In this context, the OJK conveyed verbal instructions to AFPI, which AFPI acknowledged were intended to set the ceiling on loan interest rates. [36]AFPI then implemented these instructions through the association's internal mechanisms by issuing a code of conduct binding on all its members. However, the question remains how this ceiling-setting mechanism is implemented in practice. AFPI consistently claims that the guidelines only establish *a ceiling price* , not *a fixed price* . Therefore, according to AFPI, association members still have room to compete below the specified ceiling. This claim is crucial because if the guidelines truly serve only as a ceiling without directing pricing behavior, then price-setting coordination, which violates competition law, would not occur.

However, the facts on the ground show otherwise. Data collected by the KPPU during the audit revealed that more than 95% of loans disbursed by AFPI members used interest rates above the specified ceiling. This finding suggests that while the ceiling formally allows companies to set prices below it, in practice, almost all companies set prices exactly at the ceiling. In other words, *the price ceiling* , which is claimed to be the maximum limit, actually becomes a price reference point that is uniformly followed by almost all business actors. [37]This creates a situation where price competition is practically non-existent, as all companies set prices at the same level.

In its deliberations, the KPPU panel highlighted several factors that contribute to the ceiling's function as price coordination. First, the association's oversight and sanction mechanisms create collective compliance, strengthening coordination. Members who violate the guidelines can be subject to administrative sanctions by AFPI, thereby encouraging compliance by all members with the established limits. This demonstrates that AFPI's guidelines are not merely recommendations but rather have strong binding force and are accompanied by effective enforcement mechanisms. With sanctions for violations, association members have an incentive to align their behavior with the established guidelines.

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[34] Fitri Novia Heriani, 'Questioning the KPPU Decision in the Online Loan Business Case', *https://Www.Hukumonline.Com/Stories/Article/Lt6a0bac3b9f9cd/Mempertanyakan-Putusan-Kppu-Dalam-Perkara-Bisnis-Pinjaman-Daring/* .

[35] AFPI, 'Determination of Maximum Limits on Fintech Lending Service Fees as a Commitment to Consumer Protection', *https://Afpi.or.Id/Articles/Detail/Penetapan-Batas-Maksimal-Biaya-layanan-Fintech-Lending-sebagai-Komitmen-Perlindungan-Konsumen* , 2025.

[36] PT INDO PREMIER SECURITIES, 'Protect the Public, OJK Directs Upper Limit on Loan Interest Rates', *Https://Www.Indopremier.Com/Ipotnews/NewsDetail.Php?Jdl=Lindungi_Masyarakat__OJK_Arahkan_Batas_Atas_Suku_Bunga_Pinjol&news_id=207775&group_news=IPOTNEWS&news_date=&taging_subtype=REGULATIONS&name=&search=y_general&q=ojk&halaman=1* .

[37] Hanisa Amang, P. Adjahum, Randi Jaya Saputra, and Nurhayana Nurhayana, 'Below Market Pricing in the Sharia Context: Legal Risks and Business Strategy', *Fawaid: Sharia Economic Law Review* , 7.1 (2025), 53 <https://doi.org/10.31332/flr.v7i1.11479>.

Second, the P2P lending fintech industry has market characteristics that enable effective price coordination. The relatively small number of business actors, high price transparency through digital platforms, and relatively homogeneous products create market conditions conducive to price coordination. In a market with these characteristics, one company can easily monitor the prices set by its competitors, and any deviation from the agreed-upon price is immediately detected. This strengthens the effectiveness of price coordination because each company knows that if it lowers its price below the specified limit, competitors will immediately notice and can respond in kind.

Third, setting an interest rate ceiling creates shared expectations among businesses about reasonable and acceptable price levels. In conditions of market uncertainty, businesses often seek a reference point to determine their pricing strategies. The ceiling set by the AFPI provides that reference point, and because nearly all businesses adhere to it, a stable price equilibrium is created at a level that benefits businesses.

The KPPU panel also highlighted that although setting a ceiling on interest rates aims to protect consumers from excessively high interest rates, in practice, this policy actually harms them. By coordinating prices at the ceiling level, consumers lose the opportunity to obtain lower interest rates through intercompany competition. If competition is healthy, companies will compete to offer the lowest interest rates to attract consumers. However, with a ceiling that is uniformly enforced, the incentive to compete on price is lost. Consumers end up paying higher interest rates than they would have earned in a competitive market.

Thus, this case demonstrates that seemingly pro-consumer [38]*self-regulation , protecting against high interest rates, can be a cover for anti-competitive coordination that actually harms consumers.* The unilateral setting of interest rate ceilings by industry associations without adequate regulatory oversight can become a means of aligning prices at levels that benefit businesses and harm consumers. In this case, while the initial goal was to protect consumers from extreme interest rates, the end result was price coordination that reduced the incentive to compete and ultimately harmed consumers in the form of higher interest rates than necessary.

4.1.3. Analysis of Digital Cartel Elements in the Decision

After understanding the price-setting mechanism through AFPI *self-regulation* , it is necessary to examine the elements of violations in Article 5 of Law No. 5 of 1999 to determine whether the practice can be constructed as a digital cartel. Article 5 paragraph (1) of Law No. 5 of 1999 states that business actors are prohibited from making agreements with competing business actors to determine the price of goods and/or services that must be paid by consumers or customers in the same relevant market. [39]From this formulation, there are three elements that must be met: first, the existence of an agreement between competing business actors; second, price fixing; and third, in the same relevant market.

The first and most crucial element in this case is whether the mechanism for setting interest rate ceilings through AFPI guidelines can be qualified as an "agreement" within the meaning of Article 5. In this case, the agreement did not take the form of a written contract directly between fintech companies. There was no document signed by the 97 fintech companies explicitly stating an agreement to set prices at a specific level. What existed was a code of conduct issued by AFPI as an industry association, which binds all its members by virtue of their voluntary membership in the association.[40]

However, the KPPU in its ruling interpreted the element of "agreement" more broadly and substantively. According to the KPPU panel, by becoming a member of AFPI, each fintech company voluntarily complies with the provisions and guidelines issued by the association, including provisions regarding interest rate ceilings. The decision to become and maintain AFPI members, with knowledge of the applicable guidelines, constitutes an agreement to be bound

[38] Study Program of Law, Dharma Andalas University and Fitri Wahyuni, 'JUDAKUM (Journal of Dedication to Law)', *Journal of Dedication to Law, Study Program of Law, Dharma Andalas University* , 3.3 (2024), 2024.
[39] Alisya Muliani, Sukarmi Sukarmi, and Djumikasih Djumikasih, 'Reformulation of Digital Market Regulations Against Indications of Monopolistic Practices in the Digital Spaces (Indonesian Perspective)', *International Journal of Business, Law, and Education* , 5 (2024), 800–810 <https://doi.org/10.56442/ijble.v5i1.487>.
[40] Zulkifli and Wetria Fauzi, 'Allegations Of A Cartel In Online Loan Service In The Enforcement of Business Competition Law', *Ekasakti Journal of Law and Justice* , 3 (2025), 87–94 <https://doi.org/10.60034/7evdb803>.

by those guidelines. Thus, while not a direct bilateral agreement between companies, collective adherence to the association's guidelines constitutes an indirect agreement to set prices at a common level.[41]

This interpretation aligns with developments in jurisprudence in various jurisdictions that have broadened the meaning of "agreement" to include coordination through industry associations, information exchange, or other collective governance mechanisms. In European Union competition law, for example, the concept of "agreement" has been expanded to include "coordinated practices" *that* do not require a formal contract. [42]What is important is the existence of behavioral coordination that replaces the risks of independent competition with practical cooperation between companies. In the case of fintech P2P lending, the AFPI guidelines create behavioral coordination that replaces independent competition in pricing.

The KPPU panel also considered that AFPI is not merely an industry discussion forum but has the authority to issue binding guidelines and impose sanctions on members who violate them. With this sanction mechanism, compliance with the guidelines is not voluntary in the true sense, but rather enforced by the association. This further strengthens the conclusion that AFPI's guidelines function as a price-fixing agreement among its members.[43]

The second element is pricing. The KPPU panel found that the interest rate ceiling set by AFPI effectively functioned as a mutually agreed-upon price. Although the ceiling formally allows companies to set prices below it, the fact that more than 95% of companies set prices exactly at the ceiling indicates that the ceiling has become a reference point that guides all companies to the same price. [44]In this context, the KPPU uses an effects-based approach, namely examining the impact of the policy on competition, not solely its formal form.

This approach is important because in the digital economy, price coordination often occurs in more subtle forms than explicitly fixed pricing. A ceiling that is uniformly followed by all businesses has the same effect as a fixed price: it eliminates price competition and creates a uniform price at a level that benefits businesses. Thus, while formally a ceiling allows for competition, it substantively functions as a price coordination mechanism that violates competition law.[45]

The third element is the same relevant market. The KPPU Panel defines the relevant market as the information technology-based money lending services market in Indonesia. All reported parties operate in the same market and are competitors. This market definition is important because it establishes that business actors are indeed in a competitive relationship, so coordination between them has an anti-competitive impact. The characteristics of digital markets with high price transparency, relatively low *switching costs* , and broad access to information further strengthen the conclusion that price coordination among competitors in the same market has a significant anti-competitive impact.[46]

From a digital cartel perspective, this case demonstrates several distinctive characteristics that distinguish it from conventional cartels. First, coordination occurs through an industry association, rather than through secret meetings between competitors. Traditionally, cartels are often associated with meetings in smoke *-filled rooms* where competitors explicitly agree on prices and divide the market. In this case, coordination occurs through a seemingly legitimate and transparent mechanism—the association's publicly published guidelines. However, this procedural legitimacy does not eliminate the anticompetitive substance of the coordination.

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[41] Mudawaroh Mudawaroh, 'Juridical Review of Alleged Monopolistic Practices of PT. X Through the Rule of Reason Approach Linked to Law Number 5 of 1999 Concerning the Prohibition of Monopolistic Practices and Unfair Business Competition', *SALAM: Jurnal Sosial Dan Budaya Syar-I* , 9 (2022), 323–34 <https://doi.org/10.15408/sjsbs.v9i1.25071>.

[42] Chase Foster and Kathleen Thelen, 'Coordination Rights, Competition Law and Varieties of Capitalism', *Comparative Political Studies* , 58 (2025), 1199–1237 <https://doi.org/10.1177/00104140241259461>.

[43] Riley T. Krotz, Gregory T. Gundlach, and Diana L. Moss, 'Modernizing Competition Policy and Law: The Impact of Marketing Developments on the Legal Treatment of Price Maintenance in the United States, the European Union, and China', *Journal of Public Policy and Marketing* , 41 (2022), 221–36 <https://doi.org/10.1177/07439156221095861>.

[44] Elga Nurmutia, 'AFPI Speaks Out Regarding KPPU Decision: Does Not Reflect Trial Facts', *https://Www.Cnbcindonesia.Com/Tech/20260328115240-37-722112/Afpi-Buka-Suara-Soal-Putusan-Kppu-Tak-Cerminkan-Fakta-Persidangan* .

[45] Malin Arve, Øystein Foros, and Hans Jarle Kind, 'Decentralized Versus Centralized Competitive Pricing When Size Matters', *Review of Industrial Organization* , 2025 <https://doi.org/10.1007/s11151-025-10030-4>.

[46] David P. Myatt and David Ronayne, 'Stable Price Dispersion under Heterogeneous Buyer Consideration', *The RAND Journal of Economics* , 2026 <https://doi.org/10.1111/1756-2171.70018>.

Second, price coordination is mediated by digital governance instruments. AFPI, as a fintech industry association, uses digital platforms to communicate guidelines, monitor member compliance, and enforce sanctions against violators. This digital infrastructure accelerates and strengthens coordination among members, creating a more efficient and difficult-to-detect collusion mechanism than conventional cartels. In traditional cartels, coordination requires face-to-face meetings, telephone calls, or written communications that can leave a trail of evidence. [47]In digital cartels mediated by platforms, coordination can occur covertly and is difficult to trace.

Third, this case demonstrates how seemingly pro-consumer *self-regulation* can become a cover for anti-competitive coordination. The unilateral setting of interest rate ceilings by industry associations without adequate regulatory oversight can become a vehicle for aligning prices at levels that benefit businesses and harm consumers. [48]In this case, while the initial goal was to protect consumers from extreme interest rates, the end result was price coordination that reduced the incentive to compete. This demonstrates that self-regulation can be a double-edged sword: on the one hand, it is efficient for regulating innovation-driven industries, but on the other, it can potentially justify coordinated behavior that violates the principles of fair competition.

Fourth, this case involved a very large number of business actors (97 companies), all coordinated through a single association mechanism. This demonstrates that digital cartels can be much broader in scale than conventional cartels, which typically involve only a few large companies. With digital platforms and industry associations, coordination can reach nearly every business actor in an industry, creating systemic anticompetitive effects.

Thus, the construction of a digital cartel in this case is not based on secret meetings between competitors, but on coordination through industry associations and *self-regulatory mechanisms* mediated by digital infrastructure. This marks an extension of the traditional cartel concept to a digital cartel, where anticompetitive coordination no longer requires explicit communication between competitors but can occur through platform architecture, industry associations, and digital governance instruments. Competition law enforcement in the digital era must be able to detect and address these new forms of coordination, which are often more difficult to prove but no less serious in their impact than conventional cartels.[49]

4.1.4. *State Action Doctrine* as a Ground of Exception

During the trial, the defendants put forward a key argument, which is one of the most crucial legal issues in this case, namely that this case falls outside the jurisdiction of competition law because the interest rate policy was implemented under the direction of the Financial Services Authority (OJK). This argument is based on the doctrine of *state action* , which in the Indonesian context is correlated with Article 50 paragraph (a) of Law No. 5 of 1999. This article states that provisions in competition law do not apply to acts or agreements aimed at implementing applicable laws and regulations. In other words, if an action is carried out in order to implement laws and regulations, the action is exempt from competition law supervision.

The defendants argue that the Financial Services Authority (OJK), as the regulator of the financial services sector, has the authority to protect consumers from excessively high interest rates. This authority is based on various regulations in the financial services sector that mandate the OJK to regulate and supervise to protect consumer interests. The OJK's directive to AFPI to set interest rate ceilings, according to the defendants, constitutes a legitimate government competition policy and should therefore be exempt from the application of Law No. 5 of 1999. In other words, the defendants attempt to frame the interest rate ceiling policy as compliance with regulations, so that any action taken in compliance cannot be considered a violation of competition law.

[47] Lingcheng Kong and Ao Wang, 'Coordination in Energy Platforms: How Fairness Concerns and Market Power Shape Pricing and Profitability', *Sustainability (Switzerland)* , 17 (2025) <https://doi.org/10.3390/su17188144>.

[48] Yimeng Li, Yu Xiong, and Yu Zhou, 'Dynamic Pricing Strategies: Uniform or Discrimination for Multi-Channel Retailing under Platform-Based Supply Chain Competition', *Journal of Business Research* , 166 (2023) <https://doi.org/10.1016/j.jbusres.2023.114087>.

[49] Burton Ong and Ding Jun Toh, 'Digital Dominance and Social Media Platforms: Are Competition Authorities Up to the Task?', *IIC International Review of Intellectual Property and Competition Law* , 54 (2023), 527–72 <https://doi.org/10.1007/s40319-023-01302-1>.

However, the KPPU in its decision rejected the *state action doctrine argument* put forward by the reported parties. To test the validity of this argument, the KPPU panel used a parameter known in *state action doctrine* as *the Midcal test* . *The Midcal test* measures two cumulative conditions that must be met for an action to be excluded from the reach of competition law. The first condition is clear articulation, which requires that the excluded behavior be explicitly authorized by clear regulations. This means that the action taken must be a direct implementation of the mandate given by the law, not a unilateral interpretation by the business actor of a general directive. [50]The second condition is active supervision, which requires active state oversight of the implementation of the policy. This means that the state does not simply issue a mandate, but also actively monitors how the mandate is implemented and ensures that its implementation is in accordance with the policy's objectives.[51]

In examining the first requirement (clear articulation), the KPPU panel found that there was no regulation explicitly authorizing AFPI to set an interest rate ceiling. The Financial Services Authority (OJK) does have the authority to protect consumers, but this authority was not delegated to AFPI in the form of a clear and formal regulation. The OJK did not issue a regulation specifically tasking AFPI with setting an interest rate ceiling, let alone setting a specific figure such as 0.8% or 0.4%. There was only a general directive to protect consumers, which AFPI then unilaterally interpreted as a mandate to set an interest rate ceiling. Furthermore, by AFPI's own admission, the OJK's directive was verbal and not formally documented. This further weakens the clear articulation argument, as there is no written evidence showing that the OJK explicitly directed AFPI to set the ceiling at a specific figure.

clear articulation requirement does require "explicit authorization," meaning the delegation of authority must be clearly stated in the applicable regulations . In this case, no regulation explicitly states that AFPI is authorized to set interest rate ceilings. The OJK's general directive to protect consumers is insufficient to meet the *clear articulation requirement* , as it still leaves AFPI wide room for interpretation to determine how to protect consumers. Therefore, AFPI's decision to set the 0.4% figure is not an implementation of an explicit regulatory mandate, but rather an independent association policy lacking a sufficient legal basis.

In examining the second requirement *(active supervision),* the KPPU panel found that the Financial Services Authority (OJK) did not conduct substantive supervision of the AFPI's interest rate ceiling setting process. OJK's supervision, if any, was general in nature and did not involve evaluating the specific figures set. The OJK was not involved in the process of setting the 0.8% rate or its reduction to 0.4%, and did not provide formal approval for those figures. The OJK also did not conduct periodic evaluations to assess whether the set figures were still in line with consumer protection objectives or needed to be adjusted. In other words, the OJK completely handed over the interest rate ceiling setting process to the AFPI without conducting adequate active supervision.

Without adequate active supervision, AFPI's actions cannot be classified as implementation of state policy, but rather constitute private coordination between business actors, requiring competition law oversight. *Active supervision* requires meaningful and substantive oversight, not mere formality. The state must actively monitor how the policy is implemented and ensure that its implementation does not deviate from the policy's objectives. [52]In this case, the Financial Services Authority (OJK) failed to conduct such oversight, so AFPI's actions do not qualify for an exemption from competition law.

The KPPU's rejection of *the state action doctrine* has important implications for competition law enforcement in Indonesia, particularly in the context of the digital economy. First, this rejection emphasizes that business actors cannot simply claim exemption simply by pointing to regulatory involvement in industrial policy. To qualify for exemption, there must be a clear delegation of authority and substantive, active oversight by the state. The presence of a regulator in an industry does not automatically exempt that industry from competition law oversight.

[50] Cassey Lee, 'Competition Policy in the Age of Algorithms: Challenges for Indonesia', *Bulletin of Indonesian Economic Studies* , 58 (2022), 297–312 <https://doi.org/10.1080/00074918.2022.2125488>.
[51] Marvin Hanisch and others, 'Digital Governance: A Conceptual Framework and Research Agenda', *Journal of Business Research* , 162 (2023) <https://doi.org/10.1016/j.jbusres.2023.113777>.
[52] Zezhao Liu and Shu Wei, 'Does Top-down Administrative Regulation Promote Urban Safety Performance? A Quasi-Natural Experiment with Evidence of Listed Special Supervision in China', *International Review of Administrative Sciences* , 91 (2025), 184–201 <https://doi.org/10.1177/00208523241299761>.

Second, this rejection protects competition law from attempts by business actors to "hide" behind regulations to engage in anticompetitive coordination. In practice, business actors often attempt to frame their actions as regulatory compliance to avoid competition law liability. This KPPU ruling closes this loophole by affirming that only actions truly based on a clear regulatory mandate and actively monitored by the state can be exempt from competition law.

Third, this rejection encourages regulators to be more cautious in issuing directives to industry associations. Informal directives without adequate oversight can create the risk of anticompetitive coordination. Regulators wishing to involve industry associations in policy implementation must ensure that directives are formally issued, well-documented, and accompanied by adequate oversight mechanisms to prevent abuse by associations.

This case also demonstrates that *the state action doctrine* needs to be interpreted carefully in the context of the digital economy. In a highly regulated industry like fintech, the line between regulatory policy and private coordination can become blurred. [53]Regulators often provide general directives to industry associations, which are then implemented through self-regulatory mechanisms. In such situations, it is important to distinguish between the legitimate implementation of regulatory policy and anticompetitive coordination that goes beyond regulatory mandates.[54]

the state action doctrine has generated considerable debate globally . US courts have been reluctant to invoke antitrust arguments in heavily regulated economic sectors, while the European Union has limited antitrust immunity to social objectives and essential state functions. [55]Indonesia, through KPPU Decision No. 05/KPPU-I/2025, appears to have adopted a stricter stance, rejecting the doctrine's application in the absence of explicit delegation of authority and active state oversight. This approach aligns with a global trend of increasing criticism of regulatory exemption claims, particularly in the context of the digital economy, where businesses have the ability to influence regulations and use regulatory compliance as cover for anticompetitive coordination.

This ruling sets an important precedent that the state action doctrine cannot be easily used to avoid competition law liability. Businesses seeking to claim an exemption must demonstrate strong evidence of a clear regulatory mandate and active state oversight. Without such evidence, their actions remain subject to competition law scrutiny and may be subject to sanctions if found to be in violation. This provides legal certainty for businesses and strengthens competition law enforcement in the digital era.

4.2. The Adequacy of Article 5 of Law No. 5 of 1999 in Addressing Digital Cartel Practices

4.2.1. Normative Gaps in Article 5 of Law No. 5 of 1999

After analyzing the digital cartel construct in KPPU Decision No. 05/KPPU-I/2025, this study further examines the extent to which Article 5 of Law No. 5 of 1999 is able to address digital cartel practices emerging within the platform economy ecosystem. This examination is crucial because even if the KPPU successfully proved violations in the fintech P2P lending case, it does not necessarily mean that existing norms are fully adequate. Instead, this case reveals various limitations and normative gaps that need to be identified for future improvement.

Article 5 of Law No. 5 of 1999 was formulated in the context of conventional markets in the late 1990s, when the digital economy had not yet become a significant phenomenon. [56]This law was designed to address anti-competitive practices in traditional markets, such as price cartels among producers, government project tenders, or division of marketing areas. In this context, the element of "agreement" in Article 5 is understood as an explicit agreement between business actors that can be proven through written documents, communications, or other physical evidence. This understanding is sufficient to cover conventional cartels because in traditional markets, price coordination usually requires direct communication between business actors that leaves a trail of evidence.

[53] M. Raihan Mappuji and Lingga Wisnu Wardana, 'Fintech Competition Compliance: Analysis of Fintech Business Actors in Implementing the KPPU Business Competition Compliance Program', *Jurnal Studia Legalia* , 4 (2023), 43–59 <https://doi.org/10.61084/jsl.v4i01.64>.

[54] Thorsten Beck, Lemma Senbet, and Witness Simbanegavi, 'Financial Inclusion and Innovation in Africa: An Overview', *Journal of African Economies* , 24 (2015), i3–11 <https://doi.org/10.1093/jae/eju031>.

[55] Weiqi Zhou, 'The Theoretical Logic and Regulatory Challenges of Fintech Reshaping the Financial Industry', *Global Media and Social Sciences Research Journal* , 6 (2025), 464–72 <https://doi.org/10.71465/gmssrj122>.

[56] Setiyo Utomo, Deny Slamet Pribadi, and K Wisnu Wardana, 'Implications of Business Competition Supervision on the Development of the Digital Economy', *Lex Jurnalica* , 20.1 (2023), 16.

However, the digital economy presents characteristics that cannot be fully addressed by this conceptual framework. In digital ecosystems, anti-competitive coordination can occur through various mediums that do not require explicit agreements between business actors. Dynamic pricing algorithms can independently monitor competitors' prices and adjust their pricing strategies, creating collusive equilibrium without any communication between firms. [57]Digital platforms can facilitate the exchange of price information, allowing businesses to align their behavior without the need for face-to-face meetings or communication. Industry associations can issue guidelines or codes of conduct that indirectly coordinate prices among their members. All of these forms of coordination do not require an "agreement" in the conventional sense that underpins Article 5.

This normative gap is further exacerbated by the fact that Article 5 of Law No. 5 of 1999 does not explicitly regulate new forms of coordination emerging in the digital economy. There are no specific provisions regarding *algorithmic collusion* , price signaling through digital platforms, or coordination through industry associations in the digital economy context. This creates legal uncertainty for businesses and competition authorities in assessing emerging new practices. Businesses may be unaware that their actions could be considered unlawful, while competition authorities may struggle to prove violations due to the lack of norms explicitly regulating these forms of coordination.

The limitations of Article 5 are also evident in its per se illegal approach to price fixing. This approach is appropriate for conventional cartels, where the anticompetitive impact of price fixing is clear and requires no further proof. Conventional cartels almost always harm consumers by raising prices above competitive levels, making a per se prohibition an effective instrument to prevent such practices. [58]However, in the digital economy, price fixing can occur in various forms with varying impacts. Some forms of price coordination may have a pro-competitive effect or at least not significantly harm consumers. For example, setting a ceiling on interest rates to protect consumers from extreme interest rates may be considered pro-consumer, even though in practice it may become a means of price coordination.[59]

The rigid per se illegal approach in Article 5 leaves no room for consideration of the pro-competitive impact of a pricing policy. In the case of fintech P2P lending, for example, AFPI and the defendants argued that setting a ceiling on interest rates was intended to protect consumers from excessively high interest rates. This argument cannot be adequately considered because Article 5 adopts a per se illegal approach that leaves no room for analysis of pro-competitive impacts. [60]A more flexible rule of reason approach may be more appropriate for assessing cases like these, where pro-consumer objectives must be weighed alongside the risk of anti-competitive coordination.[61]

Furthermore, Article 5 of Law No. 5 of 1999 does not adequately regulate the role of industry associations in price coordination. In the case of fintech P2P lending, AFPI, as the industry association, is the primary medium for price coordination. However, competition law does not explicitly regulate the responsibilities of industry associations in price-fixing practices. Article 5 only prohibits agreements between competing business actors, without specifically mentioning the association's role as a facilitator of such agreements. This creates uncertainty about whether industry associations can be considered parties to agreements with their members, and whether associations can be subject to the same sanctions as business actors.

This normative gap is also evident in the lack of adequate regulation of *algorithmic collusion* . In the digital economy, price coordination can occur through algorithms that independently study competitors' behavior and adjust pricing strategies to achieve a collusive equilibrium. In this scenario, there is no "agreement" between business actors in the conventional sense, as coordination occurs automatically through artificial intelligence systems. Article 5 of Law No.

[57] Rickra Christy Alexandra and Kukuh Tejomurti, 'A Study of the Paradigm Shift in Pricing Through Algorithmic Price Fixing', 6.1 (2026), 98–108.
[58] Dimas Aryadiputra, Deny Slamet Pribadi, and Aryo Subroto, 'Differences in the Application of the Per Se Illegal Approach and the Rule of Reason in the KPPU Decision on Price-Fixing Cartels', *Legal Report* , 18.1 (2022), 1–19 <https://doi.org/10.30872/risalah.v18i1.753>.
[59] Geri Suherman, 'Review of the Influence of Pricing Strategy on Purchasing Goods Through Digital Business', *AKADEMIC: Journal of Economics & Business Students* , 4.1 (2024), 350–58 <https://doi.org/10.37481/jmeb.v4i1.711>.
[60] Faisal Santiago, 'Competition Supervision in the Digital Economy Era: Algorithms and Digital Cartels', *https://Www.Hukumonline.Com/Berita/a/Pengawasan-Persaingan-Di-Era-Ekonomi-Digital--Algoritma-Dan-Kartel-Digital-Lt69f4d8f661162/* .
[61] Syifa Saleha, 'ANALYSIS OF KPPU DECISION ON THE APPLICATION OF RULE OF REASON APPROACH TOWARDS CARTEL FORM IN INDONESIA (STUDY OF KPPU DECISION: 15/KPPU-I/2022)', *Jurnal Sosial Dan Sains* , 5.5 (2025), 1–15 <https://doi.org/10.59188/jurnalsosains.v5i5.32202>.

5 of 1999 does not explicitly regulate such situations, raising questions about whether algorithmic collusion can be considered a violation of Article 5. Thus, the fintech P2P lending case reveals a significant normative gap in Article 5 of Law No. 5 of 1999. Although the KPPU successfully proved a violation in this case, this success was largely due to the KPPU's ability to interpret the norm broadly and use circumstantial evidence, rather than the sufficiency of the norm itself. Moving forward, more comprehensive legal reforms are needed to address this normative gap and ensure that Indonesian competition law remains responsive to developments in the digital economy.

4.2.2. Challenges of Proving Digital Cartels

One of the biggest challenges in enforcing competition law in the digital era is proving the existence of digital cartels. The case of fintech P2P lending reveals the various evidentiary challenges that arise when trying to apply norms designed for conventional cartels to digital cartels. These challenges are not only technical but also involve legal interpretations and paradigms of proof that must be adapted.

The first challenge is proving the element of "agreement" in coordination through association self-regulation. As previously discussed, in the case of P2P lending fintech, the agreement does not exist in the form of a written contract directly between companies. Instead, there are association guidelines that bind all members. To prove that these guidelines constitute a price-fixing agreement, the KPPU must use an interpretive approach that expands the meaning of "agreement" to include indirect coordination through the association.

This approach is indeed possible under competition law, but it requires more complex proof than simply demonstrating the existence of a documented agreement. [62]The KPPU must demonstrate that association members knowingly and voluntarily comply with the binding guidelines, that the guidelines effectively direct pricing behavior, and that a sanction mechanism exists to ensure compliance. All of this requires an in-depth and comprehensive factual analysis, which is time-consuming and resource-intensive.

The second challenge is to distinguish between prohibited and *parallel concerted action* . Legitimate *behavior* . In oligopolistic markets, parallel behavior is not uncommon, where firms independently set prices at the same level due to similar market conditions. This parallel behavior does not violate competition law if it occurs independently without coordination or agreement. [63]However, distinguishing between *concerted action* and *parallel behavior* is very difficult in practice, especially in digital markets where price transparency is high and firms can easily monitor competitors' behavior.

In the fintech P2P lending case, the defendants argued that price-fixing at the maximum limit occurred independently because all companies responded to the same market conditions and regulatory directives. However, the KPPU successfully demonstrated that there was more than just parallel behavior by demonstrating the existence of a coordination mechanism through associations, compliance monitoring, and sanctions for violators. However, this proof requires very in-depth analysis and is not always easy to achieve in every case.

The third challenge is proving the case through indirect evidence and positive factors. In conventional cartels, law enforcement often has direct evidence in the form of agreement documents, meeting minutes, or communications between business actors. [64]In digital cartels, such direct evidence is often unavailable because coordination occurs through more subtle mechanisms. [65]Therefore, law enforcement must rely on indirect evidence and positive factors to prove violations.

Plus factors are additional indicators that demonstrate that parallel behavior is not the result of independent decisions, but rather coordination or agreement. In the case of fintech P2P lending, the KPPU (Commission for Compliance and Compliance) used various plus factors, such as the fact that almost all companies set prices precisely at

[62] M. Girich and A. Levashenko, 'Algorithmic Collusion: Comparative Legal Analysis of Regulation in Russia and Abroad', *International Organizations Research Journal* , 19 (2024) <https://doi.org/10.17323/1996-7845-2024-03-08>.

[63] Frédéric Marty and Thierry Warin, *Deciphering Algorithmic Collusion: Insights from Bandit Algorithms and Implications for Antitrust Enforcement* , December 2023 <https://doi.org/10.54932/IWPG7510>.

[64] Adrian Doerr, 'Algorithmic Collusion and European Competition Law: Myths, Challenges, and Potential Solutions', *Competition Law Journal* , 24 (2025), 41–47 <https://doi.org/10.4337/clj.2025.01.06>.

[65] Anom Gilang Pamungkas, 'Use of the Rule of Reason Approach in the Case of Monopoly on Tanjung Priok Container Loading and Unloading Terminal Service Permits (Case Study of KPPU Decision Number 04/KPPU-I/2003)', *Das Sollen: Journal of Contemporary Law and Society Studies* , 1.2 (2023), 1–25 <https://doi.org/10.11111/dassollen.xxxxxxx>.

the maximum limit, the existence of monitoring and sanction mechanisms within the association, and the lack of a sound economic justification for uniform pricing behavior. The use of these plus factors allows the KPPU to build a strong argument for coordination, even without direct evidence.

The fourth challenge, and the most difficult, is proving algorithmic collusion. Algorithmic collusion occurs when pricing algorithms independently learn to achieve a collusive equilibrium without any communication or agreement between firms. In this scenario, there is no "agreement" in the conventional sense, and not even a subjective intention to coordinate. The algorithms simply respond to market data and the given reward function, and coincidentally achieve results that resemble collusion.

To prove *algorithmic collusion* , law enforcement must prove that the algorithm was designed or programmed to achieve collusive results, or that the company used the algorithm with knowledge that it would likely result in price coordination. This is a particularly difficult challenge because it involves complex technical analysis and requires a deep understanding of artificial intelligence and algorithms. In the case of fintech P2P lending, algorithmic collusion is not a major issue because coordination occurs through more traditional association mechanisms. [66]However, going forward, this challenge will become increasingly relevant as the use of artificial intelligence in pricing increases across various industries.

These evidentiary challenges demonstrate that Indonesian competition law requires the development of more adaptive evidentiary instruments and methodologies to address digital cartels. The KPPU (Commission for Complaints and Investigations) needs to develop technical capacity to analyze digital algorithms and data, and develop clear guidelines on how to prove various forms of digital cartels. Furthermore, legal reforms are needed that provide certainty about the standards of proof applicable to digital cartels, including a clearer definition of what constitutes an "agreement" in the digital context and how algorithmic collusion can be proven.

4.2.3. The Urgency of Reinterpretation and Legal Updates

Based on the analysis of the normative gaps and evidentiary challenges outlined, this study emphasizes the urgency of reinterpreting and updating Indonesian competition law to address the dynamics of the digital economy. This urgency stems not only from the need to adapt the law to technological developments but also from the need to ensure legal certainty for business actors and effective law enforcement.

The first urgency is the need to reinterpret the concept of price fixing in Article 5 of Law No. 5 of 1999. As discussed, the concept of price fixing in Article 5 was established in the context of conventional markets and presupposes an explicit agreement between business actors. However, in the digital economy, price coordination can occur through various mediums that do not require explicit agreements, such as algorithms, platforms, associations, and self-regulatory mechanisms. [67]Therefore, the concept of price fixing needs to be adapted to encompass these new forms of coordination.

The intended reinterpretation does not change the text of Article 5, but rather expands the meaning of its elements through jurisprudential interpretation. The element "agreement," for example, can be interpreted to include coordination through industry associations, as long as there is shared awareness and collective compliance leading to harmonization of behavior. The element "price fixing" can be interpreted to include setting a ceiling that effectively functions as an agreed-upon price. This reinterpretation allows Article 5 to remain relevant in addressing digital cartel practices without having to change the text of the law.

However, reinterpretation alone is not enough. A more comprehensive legal reform is also needed to address broader normative gaps. Various proposals have emerged from academics and practitioners on how Indonesian competition law should be reformed. One interesting proposal is to merge the cartel articles (Articles 5, 6, and 11) into a single, more adaptive article. Article 5 regulates price fixing, Article 6 on territorial division, and Article 11 on cartels. [68]Combining these three articles into a single article on cartels would facilitate implementation and enforcement and provide a more coherent framework for addressing various forms of cartels, including digital cartels.

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[66] Ria Setyawati and Rayhan Adhi Pradana, 'Abuse of Dominant Position by Dominant Business Actors Through the Use of Pricing Algorithms', *UIR Law Review* , 6.2 (2022), 99–110.

[67] Joseph E. Harrington, 'An Economic Test for an Unlawful Agreement to Adopt a Third-Party's Pricing Algorithm', *Economic Policy* , 40 (2025), 261–95 <https://doi.org/10.1093/epolic/eiae054>.

[68] Berno Buechel and Philemon Krähenmann, 'Fixed Price Equilibria on Peer-to-peer Platforms: Lessons from Time-based Currencies', *Journal of Economic Behavior and Organization* , 195 (2022), 335–58 <https://doi.org/10.1016/j.jebo.2022.01.013>.

In addition, specific provisions are needed to address *algorithmic collusion* and the role of industry associations in price coordination. Provisions on *algorithmic collusion* need to be carefully formulated to avoid stifling technological innovation while still providing adequate protection against anticompetitive coordination practices. A possible approach is to require algorithm transparency and authorize the KPPU (Commission for the Competition and Competition Commission) to conduct algorithm audits if necessary. Provisions on the role of industry associations need to clarify the association's responsibilities in preventing price coordination among its members, as well as the sanctions that can be imposed if the association is found to have facilitated violations.

The Commission for the Competitiveness and Competitiveness (KPPU) itself has demonstrated its awareness of the need to adapt to the digital economy. The KPPU has issued Guidelines for Competition Oversight in the Digital Economy, which provide guidance on how competition law is applied in a digital context. These guidelines cover various aspects, including market definition in the digital economy, assessing the market power of digital platforms, and handling cases in the digital sector. The KPPU has also established a special task force for platform and algorithm analysis, tasked with developing technical capacity to analyze practices in the digital sector.

However, the KPPU's guidelines alone are insufficient to address the broader normative gap. Legislative changes are needed to provide a strong legal basis for law enforcement in the digital era. [69]The Digital Market Bill currently under discussion is expected to provide firmer regulations on business competition in the digital sector, including the use of non-transparent algorithms that can lead to cartels, and the role of digital platforms in facilitating or preventing anticompetitive practices.

Legal reforms also need to consider international aspects, given the cross-border nature of the digital economy and the global operation of many digital businesses. Coordination with competition authorities in other countries and regulatory harmonization are crucial to ensure effective law enforcement without creating unnecessary trade barriers. [70]Indonesia can learn from the experience of other jurisdictions, such as the European Union's Digital Markets Act, which provides a comprehensive regulatory framework for large digital platforms. Although the Digital Markets Act focuses more on ex ante regulation than ex post enforcement, this approach can provide inspiration for regulations in Indonesia.

This reinterpretation and legal update is not only crucial for enforcing competition law but also for creating a healthy and conducive business climate for innovation. Businesses need legal certainty about what is permitted and prohibited in the digital economy. Without this certainty, businesses may be reluctant to innovate for fear of breaking the law, or, conversely, may deliberately break the law because they believe they won't be caught. With clear and adaptive regulations, businesses can compete fairly, and consumers can enjoy the benefits of innovation and competition.

Thus, the fintech P2P lending case not only sets an important precedent in competition law enforcement but also provides momentum to update and strengthen Indonesian competition law to be responsive to the dynamics of the digital economy. The KPPU Decision No. 05/KPPU-I/2025 has demonstrated that Indonesian competition law can be applied to digital cartel practices, but it also revealed several limitations that need to be addressed. Going forward, a joint effort is needed from the government, the House of Representatives (DPR), the KPPU, and academics to ensure that Indonesian competition law remains relevant and effective in the digital era.

V. CLOSING

5.1. Conclusion

Based on the entire series of discussions that have been outlined, this research concludes two main things that are the answers to the formulation of the proposed problem.

First, the practice of setting interest rates through the self-regulatory mechanism of the Indonesian Joint Funding Fintech Association (AFPI), as stipulated in KPPU Decision Number 05/KPPU-I/2025, can be constructed as a form of digital cartel. This construction is based on four main arguments. First, the Decree or Code of Conduct issued by AFPI—although formally only setting the ceiling price—in practice functions as a medium for coordinating pricing among competitors. The fact that more than 95% of loans are disbursed at the specified maximum limit indicates that the ceiling price has become a uniformly followed price reference point, making it substantively equivalent to fixed pricing. Second,

[69] Arief Budiono and others, 'The Role of Competition Law Enforcement by the Business Competition Supervisory Commission Against Allegations of Monopoly in the Shopee E-Commerce Industry and the Challenges of Enforcement in Indonesia', 3.3 (2026).
[70] Thomas Loots and Arnoud V. den Boer, 'Data-Driven Collusion and Competition in a Pricing Duopoly with Multinomial Logit Demand', *Production and Operations Management* , 32 (2023), 1169–86 <https://doi.org/10.1111/poms.13919>.

the interest rate ceiling set through the association's guidelines directs the expectations and pricing strategies of all business actors, creating behavioral alignment that replaces the independent competitive dynamics that should occur in a competitive market. Third, this case clearly demonstrates that the self-regulatory mechanism in the platform economy ecosystem—which should be an instrument of industry efficiency and compliance—can shift its function to become a medium for covert collusion when not accompanied by adequate oversight. Fourth, the state action doctrine argument submitted by the defendants is not met because two cumulative requirements in the Midcal test are not proven: there is no clear articulation in the form of regulations that explicitly authorize AFPI to set interest rate limits, and there is no active supervision in the form of substantive oversight from the OJK regarding the determination of these specific figures. Thus, the actions of AFPI and its members cannot be qualified as the implementation of state policies that are exempt from competition law, but rather constitute private coordination between business actors that violates Article 5 of Law No. 5 of 1999.

Second, the prohibition on price fixing in Article 5 of Law No. 5 of 1999 faces significant limitations in addressing digital cartel practices as revealed in this case. The first limitation lies in the element of "agreement," which, in the conventional sense, presupposes an explicit agreement between business actors. In coordination mediated by associations and self-regulation, as in this case, the element of "agreement" is difficult to prove because there is no direct bilateral agreement between the companies. Although the KPPU succeeded in broadly interpreting this element in its ruling, the evidentiary process is complex and cannot always be replicated in every case, thus creating legal uncertainty. The second limitation is that Article 5's norms do not explicitly accommodate forms of anti-competitive coordination based on platform governance and algorithms that are increasingly prevalent in the digital economy. Phenomena such as algorithmic collusion, where price coordination occurs through artificial intelligence without explicit communication between business actors, are completely beyond the scope of Article 5's normative framework, which was designed for conventional markets. The third limitation is that the per se illegal approach adopted by Article 5 does not allow for consideration of the pro-competitive impact of a pricing policy, making it less flexible in assessing cases where pro-consumer objectives must be considered alongside the risk of anti-competitive coordination. Therefore, a reinterpretation of the concept of price fixing is needed to encompass price coordination through self-regulatory mechanisms, as well as legal updates that are more adaptive to the characteristics of digital markets, including regulations on algorithmic collusion, the role of industry associations, and the responsibilities of digital platforms in preventing anti-competitive practices.

Thus, KPPU Decision No. 05/KPPU-I/2025 sets an important precedent, demonstrating that Indonesian competition law—despite its normative limitations—can be applied to digital cartel practices through progressive interpretation and the use of circumstantial evidence. However, this success should not make us complacent. This case, in fact, provides momentum for more comprehensive legal reforms to ensure that Indonesian competition law is not left behind by the rapidly evolving dynamics of the digital economy.

5.2. Suggestions

Based on the conclusions that have been formulated, this study puts forward a number of suggestions aimed at various stakeholders to strengthen the enforcement of competition law in the digital economy era.

First, the KPPU and the courts need to develop jurisprudence that consistently expands the meaning of "agreement" in Article 5 of Law No. 5 of 1999 to encompass coordination through self-regulation, industry associations, and platform governance mechanisms. KPPU Decision No. 05/KPPU-I/2025 is a good first step in this direction. However, to create legal certainty, the KPPU and the courts need to continue developing and strengthening the legal reasoning used in similar cases in the future. The use of plus factors and indirect evidence as evidentiary tools in digital cartel cases needs to be clarified and systematized through internal guidelines and the publication of relevant decisions. Furthermore, the KPPU needs to continue to improve the technical capacity of its human resources in analyzing digital data, algorithms, and digital market mechanisms, including through the establishment and strengthening of a special task force for platform and algorithm analysis.

Second, the government and the House of Representatives need a more comprehensive normative update to Law No. 5 of 1999, particularly by including specific provisions regarding digital cartels. This revised law should ideally include several important aspects: (a) expanding the definition of "agreement" to include coordination through industry associations, digital platforms, and other self-regulatory mechanisms; (b) specific provisions regarding algorithmic collusion that authorize the KPPU to conduct audits of pricing algorithms that have the potential to lead to anti-competitive coordination; (c) provisions regarding the responsibilities of industry associations in preventing price coordination among their members, as well as sanctions that can be imposed if the association is proven to facilitate violations; (d) provisions regarding transparency obligations for large digital platforms with significant market power; and (e) consideration of combining the cartel articles (Articles 5, 6, and 11) into a single, more coherent and adaptive article. In this legal reform process, the government and the House of Representatives need to involve various stakeholders, including academics, business actors, industry associations, and competition authorities from other countries, to ensure that the resulting regulations are not only effective in upholding competition, but also do not hinder innovation and the growth of the digital economy.

Third, the KPPU needs to strengthen and implement its Guidelines for Competition Oversight in the Digital Economy in a more concrete and operational manner. These published guidelines need to be supplemented with more detailed explanations regarding evidentiary standards for various forms of digital cartels, criteria for assessing market power in the digital economy, and procedures for algorithm analysis. The KPPU also needs to actively disseminate these guidelines to businesses, industry associations, and the general public to increase awareness and compliance with competition law in the digital era. Furthermore, the KPPU needs to conduct regular monitoring and evaluation of digital market developments to identify potential anti-competitive practices early on.

Fourth, collaborative oversight between the KPPU (Commission for Competition and Development) and the Financial Services Authority (OJK) is needed to strengthen in overseeing business competition practices in the digital financial services sector. The fintech P2P lending case demonstrates the critical importance of coordination between supervisory agencies to prevent regulatory loopholes that could be exploited for anti-competitive coordination. The KPPU and OJK need to establish clear coordination protocols, including mechanisms for information exchange, consultation in policymaking, and cooperation in handling cases involving the digital financial services sector. The OJK also needs to be more cautious in providing guidance to industry associations, ensuring that it is given formally, well-documented, and accompanied by adequate oversight mechanisms to prevent abuse by associations. Conversely, if such guidance is informal and lacks adequate oversight, the OJK needs to be aware that the association's actions in responding to it could become subject to competition law oversight by the KPPU.

Fifth, for legal academics and researchers, further studies are needed on various aspects of competition law in the digital era that still require in-depth study. Several topics that could be on the future research agenda include: (a) developing a methodology for proving algorithmic collusion that is appropriate to the Indonesian legal system; (b) a comparative analysis of digital cartel regulations in various jurisdictions as learning material for legal reform in Indonesia; (c) a study of the impact of the digital economy on the concept of the relevant market and the definition of market power; (d) research on the effectiveness of leniency programs in uncovering digital cartels; and (e) an analysis of the balance between consumer protection and the prevention of anti-competitive coordination in industrial self-regulation policies. These studies are expected to contribute to the development of competition law and provide input for policymakers in formulating regulations that are more responsive to the dynamics of the digital economy.

Finally, this study recognizes that competition law in the digital era faces significant challenges. Rapid technological developments, the complexity of digital markets, and the limitations of existing norms demand a swift, adaptive, and collaborative response from all stakeholders. However, the case of fintech P2P lending, the subject of this study, has demonstrated that with progressive interpretation and a strong commitment to law enforcement, Indonesian competition law can remain an effective instrument for maintaining healthy competition in the digital era. This momentum must be utilized to undertake more comprehensive legal reforms, so that Indonesia is not only able to enforce competition law today but also prepared to face future competition challenges, which will undoubtedly become increasingly complex as digital technology and the platform economy continue to evolve.

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