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The meaning of the term “timely” in the performance of management obligations concerning electronic money float funds

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Abstract

Digital transformation has brought significant changes to the financial industry, particularly in adopting electronic money systems in Indonesia, which have become a crucial payment instrument in the digital era. The purpose of this study was to analyse the vagueness of the term “timely” in Article 49, Paragraph (2), Letter c of Bank Indonesia Regulation No. 20/06/PBI/2018 “On Electronic Money”, which governs the obligations of electronic money issuers in managing float funds. By employing a normative legal research method, this study examined the grammatical and historical interpretation of the term “timely” to evaluate its impact on legal certainty. The interpretation method included an analysis of policy changes introduced into regulations by Bank Indonesia from the 2009 to 2018, highlighting the evolution of requirements and rules concerning the management of float funds. The findings indicated that the vagueness of the term “timely” has led to varying interpretations that affect electronic money issuers, users, and supervisory authorities, thereby creating legal uncertainty. These differing interpretations not only result in legal ambiguities but also can undermine user confidence in digital payment systems. Further analysis underscored the critical role of this term in ensuring the integrity and stability of the electronic money ecosystem. The lack of clarity regarding the timing of obligation performance highlights the necessity of establishing concrete time limits to minimise potential conflicts and uncertainties. This study recommended that regulators develop clearer guidelines for managing

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float funds in electronic money to enhance legal certainty and protect consumer interest. Establishing a concrete time standard for float fund management would support issuers in consistently performing their obligations and streamline the supervision process for regulatory authorities

Keywords:

ambiguity; digital finance; interpretation; legal uncertainty; regulation

Introduction

Digital transformation has significantly reshaped the payment system, which is essential for economic transactions, shifting from traditional banknotes to more efficient non-cash methods. Consequently, electronic money has emerged in Indonesia, enabling electronic financial transactions across various platforms and devices. Nearly all banking institutions now provide electronic money products, while startups have also entered the market with similar offerings, enriching the dynamic landscape of digital payments (Amalia & Santoso, 2022)

Electronic money refers to cash that has been converted into digital data and stored on mediums such as chip cards or servers owned by electronic money holders (Department of Communication, 2020). Its regulation began with Bank Indonesia Regulation No. 11/12/PBI/2009¹ on Electronic Money, later updated by Bank Indonesia Regulation No. 20/06/PBI/2018². These regulations govern the components of the electronic money payment system, including instruments, institutions, mechanisms, and infrastructure, while emphasising principles of expediency and consumer protection. Enhanced regulation and oversight are crucial for the effective operation of electronic money systems, particularly in managing float funds to uphold trust, stability, and security in the electronic money ecosystem. The Bank Indonesia Regulation on Electronic Money (PBI)³ defines float funds as the value of electronic money held by the issuer, which is derived from the issuance and/or replenishment of funds and stays an obligation of the issuer to users and providers of goods and/or services. According to R.K. Sari (2021), the regulation governing float funds aims to ensure their safety from liquidity, credit, legal, and operational risks while promoting secure and structured management practices for these funds.

According to Article 49, the regulation of issuers' obligations regarding the use of float funds stipulates that these funds may only be used to perform the issuer's obligations to users and suppliers of goods and/or services and cannot be used for other purposes. To ensure this, the issuer must have a system for recording float funds, monitor their availability, guarantee

timely performance of obligations, record these funds separately from other obligations, and place them in an account that is separate from the issuer's operational account. This Article states that the use of float funds by electronic money issuers is solely intended to perform obligations to users and providers of goods and/or services. The use of float funds for other purposes, such as guarantees to third parties or for the issuer's operational interests, is strictly prohibited. This prohibition is based on the explanation provided in Article 49, paragraph (1) of PBI 2018 concerning Electronic Money⁴.

The PBI Electronic Money regulation⁵ requires issuers to perform their obligations in a timely manner. However, the provisions in Article 49, paragraph (2), letter c lack specific explanation and are vague regarding the term “timely”, resulting in potential ambiguity and legal uncertainty due to the absence of a clearly outlined time limit. For instance, this may refer to performance at the maturity date agreed upon by the stakeholders based on the type of obligation, or there may be special provisions in other regulations. This vagueness can lead to varying interpretations by electronic money issuers and supervisory authorities. Therefore, clearer regulations are needed to define “timely” and establish criteria or indicators for assessing the performance of obligations by electronic money issuers, ensuring greater legal certainty and consistency.

Normatively, legal certainty is achieved when regulation are clear and logical, avoiding doubt, multiple interpretations, contradictions, and ambiguities within the broader legal system (Sinaga, 2022). Uncertainty can lead to differing interpretations among law enforcers (Winarno *et al.*, 2021). Certainty can be interpreted as something that is clear, unambiguous, easy to understand, and consistent, without leading to multiple interpretations. The law must be based on existing facts, and these facts should be formulated clearly to avoid misinterpretation and facilitate effective implementation. Therefore, the law should not give rise to numerous interpretations or unclear norms. According to D. Vidasari (2024), definitive laws, especially regulations, should not be easily changed without considering the interests of society. The uncertainty surrounding the

¹ Regulation of the Bank of Indonesia No. 11/12/PBI/2009 “On Electronic Money”. (2009, April). Retrieved from https://www.bi.go.id/id/publikasi/peraturan/Pages/pbi_111209.aspx.

² Regulation of the Bank of Indonesia No. 20/06/PBI/2018 “On Electronic Money”. (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

³ Ibidem, 2018.

⁴ Ibidem, 2018.

⁵ Ibidem, 2018.

term “timely” in Article 49, paragraph (2), letter c of PBI Electronic Money¹ leads to varying interpretations among electronic money issuers, users, goods and services providers, and supervisory authorities. In the absence of clear and definitive definitions or guidelines, electronic money issuers adopt differing standards for performance of their obligations, risking user confidence by destabilising the digital finance industry.

According to I. Cahayati (2021), timeliness in e-money transactions is critical, as it directly affects the “actual use”, or frequency and duration of technology used by consumers. When an e-money system can ensure that transactions are completed timely, user trust and satisfaction increase, encouraging more frequent use of the service. Timeliness thus serves as an indicator of system performance, which is vital from both legal and technological perspectives to protect consumers and promote widespread adoption of the technology.

The originality of the present study lies in the vagueness of the term “timely” concerning the performance of obligations. The purpose of this study was to analyse and interpret the meaning of the term “timely” as it relates to the performance of obligations in the management of float funds, specifically in Article 49, paragraph (2), letter c of Bank Indonesia Regulation No. 20/06/PBI/2018². Based on this background, the problem formulation for this study was to determine the meaning of the term “timely” concerning the performance of obligations in the management of float funds as outlined in the aforementioned regulation.

Materials and Methods

This study employed the method of normative legal research. It focused on the scope of legal concepts, principles, and rules without considering the application of law to human behaviour or institutions. The norm system was the research object (Muhaimin, 2020). This study aimed to examine the interpretation of the term “timely” within the phrase “ensure timely performance of obligations” as stipulated in Article 49, paragraph (2), letter c of Bank Indonesia Regulation³.

The approach used in this research was a statute approach, which examined the norms in the legislation that apply in Indonesia, especially those relating to performance of obligations concerning the management of float funds by electronic money issuers. According to P.M. Marzuki (2005), the regulatory approach involves studying all regulations related to the legal topic under study. The present study applied a regulatory approach by examining Bank Indonesia Regulation No. 20/06/PBI/2018⁴. The study also employed a conceptual approach to assess the validity of legal norms or rules,

specifically regarding the interpretation of the term “timely” in performance of the obligation of electronic money issuers to manage float funds, and its relevance to legal norms and regulations governing electronic money.

Legal materials were analysed using grammatical and systematic methods of interpretation, which provided an in-depth and structured understanding of legal norms. Grammatical interpretation involved a careful analysis of texts, focusing on the meaning of words and phrases used in legislative acts. This method helped to identify the precise meaning of terms and avoid ambiguities, which was particularly important when examining legal documents that required clarity and certainty. Systematic interpretation was aimed at identifying the meaning of legal norms, considering their relationship with other legal provisions and general principles of law. This method helped to consider a legal norm not in isolation, but in the context of the entire legal system, identifying its place and role in the overall structure of the legislation. Thus, the use of these methods helped to achieve a comprehensive understanding of legal provisions and guaranteed a more accurate application of norms in law enforcement practice.

This study adopted G. Radbruch’s (1961) theory of legal certainty as an analytical framework to address legal issues related to the vagueness of the term “timely” in Article 49, paragraph (2), letter c of the PBI on Electronic Money⁵. This ambiguity has resulted in varying interpretations among electronic money issuers, users, and financial authorities, highlighting the need for a clear understanding of the term to ensure consistency in legal standards. Using G. Radbruch’s (1961) theoretical framework the present study aimed to assess the extent to which the provisions in the regulation align with the principles of legal certainty, which emphasise clarity, consistency, and predictability of legal norms.

Results and Discussion

Grammatical and historical interpretation of the term “timely” in performance of the obligations of electronic money issuers. Electronic money issuers are entities responsible for issuing, managing, and providing electronic money services. These issuers can be either banking institutions or non-bank institutions were authorised by Bank Indonesia (Hanifah, 2021). As part of the electronic money ecosystem, issuers play a key role in managing electronic money float funds, ensuring that these funds are properly handled by regulatory requirements.

Electronic money refers to cash that was converted into digital data and is stored on mediums such as chip cards or servers owned by electronic money holders

¹ Regulation of the Bank of Indonesia No. 20/06/PBI/2018 “On Electronic Money”. (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

² Ibidem, 2018.

³ Ibidem, 2018.

⁴ Ibidem, 2018.

⁵ Ibidem, 2018.

(Nazar *et al.*, 2023). The value of money received by electronic money issuers, either through the issuance of electronic money or through recharges, is known as float funds. These float funds are the responsibility of electronic money issuers, as they must ensure the availability of these funds to cover transactions made by electronic money holders and merchants when merchants verify payments with the issuers (Wicaksono & Huda, 2023).

Grammatical interpretation is a method of legal interpretation that emphasises the understanding of the literal meaning of words and sentence structures in legislative texts. This method involves uncovering the legal meaning embedded in the text by analysing its sentence structure, choice of words, and grammar (Annata Nurhan *et al.*, 2024). The term “grammatical” refers to changes in word forms that align with the context of use, including situational factors such as place, time, and appropriate language usage. According to the Big Indonesian Dictionary (1991) “tepat” means “right” or “accurate”, referring to something that is correct in terms of direction, timing, choice, or promise. Meanwhile, “waktu” refers to a specific period or moment, indicating the duration set for completing something. In simple terms, being “timely” means doing something according to the predetermined, set, or agreed-upon schedule.

From a grammatical standpoint, “timely” serves as a measure of appropriateness concerning time, which must be adhered to. The two components complement each other to indicate the performance of obligations within a predetermined time frame. The term “timely” functions as an adjective that explains the term “performance of obligations”, highlighting the nature or criteria for meeting those obligations as being carried out by the specified time (Webster, n.d.).

“Timely” can be interpreted as the execution of an obligation or the performance of an action according to a previously determined or agreed-upon deadline. “Timely” has several aspects (Rizkyarrachman, 2022), including:

- a. A means of cultivating discipline and shaping a person’s character into a trustworthy individual.
- b. Reflection of a person’s dedication to their obligations, and therefore timely actions demonstrate commitment to fulfilling responsibilities.

c. “Timely” also hones the ability to set targets and strive to meet them within a predetermined timeframe.

d. Time is a valuable resource that cannot be re-wound.

e. “Timely” is believed to lead individuals to better achievements.

In the financial industry, timeliness is a crucial factor in presenting relevant information. Information holds value only when it is delivered promptly to those who need it to support the decision-making process. The faster the information is presented, the more relevant it becomes to users (Selvia & Asiam, 2022). According to the Big Indonesian dictionary (1991), “performance” refers to a process, method, or act of fulfilling, while “obligation” is defined as something that must be performed or fulfilled by an individual. Then, the term “performance” can be interpreted as a process, method, or act of fulfilling. Meanwhile, “obligation” is defined as everything that must be performed or fulfilled by someone. In this context, obligation refers to everything that must be performed by the issuer of electronic money to users and providers of good and/or service.

Thus, the term “timely” can be interpreted as the fulfilment of responsibilities within a predetermined period, whether in the form of laws, Bank Indonesia regulations, agreements, or contracts among the parties involved in electronic money activities. This phrase emphasises discipline and efficiency in meeting obligations, which is crucial for ensuring user trust and satisfaction. The designated period sets the deadline for completing transactions, processing payments, issuing refunds, or managing float funds. However, it is essential to provide further clarification regarding the concrete timeframe to avoid legal uncertainty.

Building on the previous discussion and the grammatical interpretation of the term “timely”, a historical interpretation was also conducted to strengthen the findings. This involved examining the Bank Indonesia Regulation on Electronic Money to gain a deeper understanding of the context surrounding the establishment of the “timely” provision. The focus was on the background, actual intent, and social conditions at the time this provision was implemented, particularly concerning the obligations of electronic money issuers in managing electronic money float funds (Table 1).

Table 1. History of the term “timely” in Electronic Money Regulations in Indonesia

PBI No. 11/12/PBI/2009 about Electronic Money	PBI No. 20/06/PBI/2018 about Electronic Money
Article 1 (1) In the context of implementing financial risk management, as referred to in the preceding paragraph (2) The issuer shall: a. Place float funds in the form of safe and liquid assets; b. Use the float funds mentioned in letter a solely to fulfil obligations to holders and merchants; c. Perform obligations to holders and merchants in a “timely” manner.	Article 49 (2) To perform obligations to users and providers of goods and/or services as referred to in paragraph (1), the issuer must: a. Have a system and mechanism for recording float funds; b. Have a system and mechanism for monitoring the availability of float funds; c. Ensure the “timely” performance of obligations;

Table 1, Continued

PBI No. 11/12/PBI/2009 about Electronic Money	PBI No. 20/06/PBI/2018 about Electronic Money
	d. Record float funds separately from other obligations of the issuer;
	e. Place float funds in an account that is distinct from the issuer's operational account.

Source: developed by the author of this study based on PBI No. 11/12/PBI/2009¹ and PBI No. 20/06/PBI/2018²

The Table 1 illustrates that the provisions related to float funds originated from Bank Indonesia Regulation No. 11/12/PBI/2009³ on Electronic Money and evolved into Bank Indonesia Regulation No. 20/06/PBI/2018⁴. The 2009 regulation emphasised that issuers must perform their obligations to holders and merchants promptly. In contrast, the 2018 regulation provides more detailed guidelines for managing float funds, including the requirement to separate the recording of float funds from other operational obligations, thereby enhancing transparency and accountability.

The regulation of float funds began with PBI 2009⁵, which mandates that electronic money issuers in the form of non-bank institutions must obtain a license from Bank Indonesia if they manage float funds that reach a certain threshold. Additionally, the regulation outlines the obligations of electronic money issuers regarding the management of float funds within the framework of financial risk management. This serves as a strategic measure to ensure that float funds are managed carefully and securely. Issuers are required to place float funds in safe and liquid assets, use these funds solely to perform obligations to holders and merchants, and ensure that such obligations are met promptly.

Subsequently, further regulations concerning float funds were established through Bank Indonesia Circular Letter No. 11/11/DASP⁶ dated April 13, 2009, regarding Electronic Money. This circular letter stipulates that float funds held by electronic money issuers that are not banking institutions must be placed in deposit accounts at commercial banks, with 100% of the total float funds deposited. These funds can only be utilised

to perform obligations to holders and merchants, which must be carried out in a timely manner⁷.

This provision aims to maintain the security of float funds and ensure that obligations to users and merchants are performed promptly. For electronic money issuers that are banking institutions, float funds must be managed in the form of safe and liquid investments. This requirement emphasises that the management of float funds by issuers must be conducted with care to ensure the security and availability of these funds, thereby performing the issuer's obligations to users and merchants involved in the electronic money system. It implicitly demands the timely performance of these obligations.

However, although the provision regarding "timely" performance has been in place since PBI 2009⁸, there is no concrete explanation of the term "timely". This ambiguity creates challenges in implementation, as there is no clear timeframe or specific guidelines outlined in the regulation. It is still unclear whether timelines should be predetermined, left to the discretion of the parties involved, or be constrained by other regulations. Similarly, in PBI 2018⁹, the affirmation of "timely" performance reappears without any further clarification on what duration is considered appropriate for performing obligations to both users and providers of goods and/or services.

Meaning of the term "timely" in Article 49 Paragraph (2) letter 2 of Bank Indonesia Regulation No. 20/06/PBI/2018 concerning Electronic Money related of performance of obligations in float funds management. Article 49 of Bank Indonesia Regulation

¹ Regulation of the Bank of Indonesia No. 11/12/PBI/2009 "On Electronic Money". (2009, April). Retrieved from https://www.bi.go.id/id/publikasi/peraturan/Pages/pbi_111209.aspx.

² Regulation of the Bank of Indonesia No. 20/06/PBI/2018 "On Electronic Money". (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

³ Regulation of the Bank of Indonesia No. 11/12/PBI/2009 "On Electronic Money". (2009, April). Retrieved from https://www.bi.go.id/id/publikasi/peraturan/Pages/pbi_111209.aspx.

⁴ Regulation of the Bank of Indonesia No. 20/06/PBI/2018 "On Electronic Money". (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

⁵ Regulation of the Bank of Indonesia No. 11/12/PBI/2009 "On Electronic Money". (2009, April). Retrieved from https://www.bi.go.id/id/publikasi/peraturan/Pages/pbi_111209.aspx.

⁶ Bank Indonesia Circular Letter No. 11/11/DASP "On Electronic Money". (2009, April). Retrieved from https://www.bi.go.id/id/publikasi/peraturan/Pages/se_111109.aspx.

⁷ Regulation of the Bank of Indonesia No. 20/06/PBI/2018 "On Electronic Money". (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

⁸ Regulation of the Bank of Indonesia No. 11/12/PBI/2009 "On Electronic Money". (2009, April). Retrieved from https://www.bi.go.id/id/publikasi/peraturan/Pages/pbi_111209.aspx.

⁹ Regulation of the Bank of Indonesia No. 20/06/PBI/2018 "On Electronic Money". (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

No. 20/06/PBI/2018¹ on Electronic Money is part of the rules governing the management of float funds, particularly regarding their use by electronic money issuers for users and providers of goods and/or services. The provisions in this Article aim to ensure the responsible, transparent, and secure use of float funds, thereby supporting stability and trust in the electronic money system. However, Article 49, paragraph (2), letter c, states that electronic money issuers must ensure the timely performance of obligations. The term “timely” stays ambiguous and can lead to multiple interpretations, necessitating further clarification. In the context of regulations that require legal certainty, the use of unclear phrases has the potential to create legal uncertainty and may lead to disputes in the future.

Before further discussions on the meaning of the term “timely”, which is considered vague in Article 49 of Bank Indonesia Regulation No. 20/06/PBI/2018² concerning Electronic Money, it is necessary to first understand the wording of the article: “Article 49: (1) Float funds may only be used to perform the issuer’s obligations to users and providers of goods and/or services and are prohibited from being utilised for any other purposes. (2) To perform obligations to users and providers of goods and/or services as referred to in paragraph (1), the issuer must: (a) have a system and mechanism for recording float funds; (b) have a system and mechanism for monitoring the availability of float funds; (c) ensure the timely performance of obligations; (d) record float funds separately from other obligations of the issuer; (e) place float funds in an account that is distinct from the issuer’s operational account”.

Article 49, paragraph (1), emphasises that float funds may only be used to perform the issuer’s obligations to users and providers of goods and/or services. The explanation of Article 49, paragraph (1) of the PBI on Electronic Money states that the use of float funds for purposes other than third-party guarantees or the operational interests of the issuer is prohibited. This restriction aligns with the fundamental principle that issuers must ensure that these funds are not used for any purposes outside the interests of users and providers of goods and/or services. Article 49, paragraph (2), outlines the steps that issuers must take to ensure that float funds are used by the rules outlined in paragraph (1). These steps include the requirement for issuers to maintain a robust recording and monitoring system, ensure that obligations to users are performed promptly, and keep float funds recorded and placed separately from operational funds and other obligations. While the overall provisions of Article 49, paragraph (2) are considered quite clear in each of its points, the item (e),

which states that float funds must be kept in an account separate from the issuer’s operational account to perform short-term obligations to users and providers of goods and/or services, requires further clarification³.

In the context of Sharia electronic money, the obligation to manage float funds is also regulated by stricter principles related to time. Based on Sharia principles, when there is an exchange between cash and the value stored in Sharia e-money (top-up), the transaction must be performed in cash and immediately, meaning that the exchange must occur at the same time (cash) without any delay on either party. If there is a delay, either from the delay in the return of cash in the refund, then the transaction is classified as “riba al-nasiah” (an illegal increase in money or certain goods, stipulated when lending money or concluding a transaction), which is prohibited in Islamic law (Arifin, 2023).

This is crucial to ensure that the float funds managed by issuers are genuinely utilised to perform obligations to users and providers of goods and/or services, thereby ensuring the security and smooth operation of the active payment system. However, the term “timely” in this Article lacks a clear definition, which may lead to potential legal ambiguity regarding the performance of obligations by issuers. Thus, the interpretation of the term “timely” was examined from both grammatical and historical perspectives. Next, the meaning of the term “timely” was analysed in the context of its application within the article.

In terms of the management of float funds and the issuer’s obligations in satisfying user rights, it is important to define what float funds are. Float funds refer to the total value of electronic money received by the issuer, which represents an obligation to both the users and the issuer itself. The issuer’s obligation to the users of electronic money is to refund the entire remaining balance stored in the media when the holder decides to stop using the electronic money. Meanwhile, the issuer’s obligation to merchants (who accept electronic money) is to ensure the settlement of transactions, exercising the right to receive the value of the electronic money used in transactions (Munawir & Mahbub, 2021). The issuer’s obligation represents the implementation of the redeemability principle, which aims to ensure certainty for the owners of electronic money value, including both users and providers of goods and/or services. This principle guarantees that electronic money owners can redeem its value into cash or transfer it to a relevant account at any time (Prasetyo & Wahyudiono, 2023).

An example of electronic money issued by institutions other than banks, as defined by Bank Indonesia

¹ Regulation of the Bank of Indonesia No. 20/06/PBI/2018 “On Electronic Money”. (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

² Ibidem, 2018.

³ Ibidem, 2018.

Regulation¹, is Go-Pay. According to the instructions for the use of Go-Pay electronic money, issuers are permitted to use the electronic money balance they receive solely to perform obligations to electronic money holders and merchants. Consequently, Go-Pay issuers are prohibited from utilising the electronic money balance for any purposes outside the specified obligations (Martono & Yudawirawan, 2021). According to the applicable regulations, PBI Electronic Money requires an adequate legal framework as one of the eligibility criteria for operating electronic money. This requirement is outlined in Article 13, paragraph (2), which states that: “(a) the requirements for institutional and legal aspects, as referred to in paragraph (1), letter a, must include at least: the legality and profile of the company; (b) the readiness of the legal framework for the implementation of electronic money.

The explanation of Article 13, paragraph (2), letter b of the PBI on Electronic Money² clarifies that the readiness of the legal framework for electronic money organisers can be demonstrated through a written agreement or a principal written agreement between the organiser and other parties. This provision aims to ensure that companies intending to organise electronic money have a solid legal foundation, adhere to good governance practices, and are legally prepared to operate the service. However, the PBI on Electronic Money does not provide further clarification regarding the period for performing the issuer’s obligations related to the management of float funds for users and providers of goods and services. Therefore, this period is regulated through a written agreement or principal written agreement between the parties. This interpretation aligns with the principle established in Book III of the Civil Code³, which adheres to an open system that grants parties the freedom to enter into agreements with anyone and to determine the terms of implementation and the form of the agreement, whether oral or written (Evi *et al.*, 2023). Consequently, the parties involved in the management of float funds have the authority to mutually agree on the period for performing these obligations.

Furthermore, regarding the issuer’s obligations regarding requirements with providers of goods and/or services for administering electronic money, Article 54 of Bank Indonesia Regulation No. 20/06/PBI/2018⁴ outlines the following: administering all documents related to providers of goods and/or services by properly selecting and recording their identities, including cooperation contracts, transaction reports, and other relevant documents; conducting education and training

for providers of goods and/or services to ensure they understand the transaction process and can execute it smoothly by applicable regulations; terminating collaboration with providers of goods and/or services that engage in detrimental actions, such as partnering with criminals, charging additional fees for shopping transactions, or mishandling user data/information.

Proceeding from this, the written agreement between the issuer and the provider of goods and/or services serves as a cooperation agreement that details the rights and obligations of both parties in carrying out electronic money transaction activities. This agreement encompasses not only technical aspects related to operations but also legal and security considerations that must be adhered to. A written agreement between the electronic money issuer and the user or provider of goods and/or services can serve as a practical solution to avoid multiple interpretations of the term “timely”. This agreement can explicitly state the time limits agreed upon by both parties, providing clarity and certainty regarding when obligations will be performed.

However, the absence of firm standards in regulations allows issuers and users to interpret the term “timely” in varying ways, meaning that agreements do not always guarantee legal certainty or consistently protect consumer rights. This issue arises from the principle of freedom of contract, which asserts that parties can determine the contents of their agreement, as long as it does not conflict with the law (Putri Nabila & Djayaputra, 2023). Therefore, clearer regulations and stricter standards are crucial, so that reliance on agreements is complemented by well-defined boundaries.

H. Salsabila & P. Rahmadhani (2023) addressed the legal vacuum regarding the regulation of float funds in non-bank institutions within the bankruptcy system. The researchers concluded that stricter and clearer regulations on revolving funds are required to provide certainty for financial technology users in Indonesia. The similarity with the present study lies in the focus on the management of float funds as regulated in the PBI on Electronic Money. However, the difference is in the research focus: this study examined the lack of clarity in the term “timely” regarding the performance of obligations related to float funds, emphasising the significance of regulatory clarity in ensuring the issuer’s obligations to users and providers of goods and/or services are properly met to avoid differing interpretations. Meanwhile, the other research focuses more on the issue of consumer protection regarding float funds in the event of the issuing institution’s bankruptcy.

¹ Regulation of the Bank of Indonesia No. 20/06/PBI/2018 “On Electronic Money”. (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

² Ibidem, 2018, May.

³ Civil Code of Indonesia. (1847, April). Retrieved from <https://www.refworld.org/legal/legislation/natlegbod/1847/en/77869>.

⁴ Bank Indonesia Regulation No. 20/06/PBI/2018 “On Electronic Money”. (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

The present study provided a comprehensive analysis, including identifying the legal gaps in the regulation of float funds in Indonesia, particularly in the fintech sector, as well as examining the impact of bankruptcy risks on float funds. Additionally, it offers examples of float fund regulations from other countries that have successfully implemented more effective frameworks, which can serve as valuable references for improving regulations in Indonesia. However, there are several aspects to consider, such as a slight discrepancy between the study findings and the conclusions presented, which may require further clarification or support with more precise evidence. Moreover, it is essential to address the practical implications of the proposed solutions to ensure they are truly effective in solving the existing issues.

M.S. Agil *et al.* (2023) study the urgency of float funds guarantee arrangements by the deposit insurance corporation in case of bankruptcy risk in electronic money issuers, highlighting the legal vacuum surrounding float funds guarantees in the context of bankruptcy risk. The similarity between the present study and the cited one lies in the focus on float funds and their management within electronic money systems, both highlighting the lack of legal certainty. The difference, however, lies in the more in-depth analysis of the vague term “timely” regarding the performance of the obligation to manage float funds in electronic money. Additionally, the present study adopted a statutory and conceptual approach, without incorporating a comparative analysis.

Overall, this study offered an in-depth analysis and presenting relevant conclusions. It emphasised the need for Indonesia to promptly establish provisions for float fund guarantees through the Deposit Insurance Corporation to ensure legal certainty and fair protection for float fund owners. Additionally, the study recommended adopting a ring-fenced concept through a trusteeship scheme as an effective solution for protecting float funds. However, further investigation and analysis are needed regarding the application of this concept, considering the differences between the Indonesian legal system and those of countries that have adopted an analogous approach.

Additionally, J.A. Lukita *et al.* (2021) conducted a study addressing the obscurities related to errors or omissions made by consumers when using electronic money. The similarity with the present study lies in the focus on the vagueness of a phrase in the Bank Indonesia Regulation¹, which leads to various interpretations. The difference, however, lies in the objects of study. The cited study centred on the responsibilities and limits of consumer protection related to consumer negligence and its legal implications, particularly emphasising the legal consequences for consumers who lose their right

to compensation due to their negligence. In contrast, the present study highlighted the obligation of electronic money issuers to ensure that their obligations are performed in a timely manner, proposing clearer time guidelines to enhance legal certainty in the performance of these obligations.

The conclusions of this study highlight the legal vacuum in Indonesian regulations regarding errors or omissions by electronic money users. The present study accurately identified the lack of clarity in the definition of what constitutes error or negligence in Article 43, Paragraph (2), Point c of the PBI on Electronic Money². However, a review is necessary to assess whether the definitions of error and negligence are sufficiently specific to electronic money cases and whether the application of liability for error is always fair and realistic in each instance. Furthermore, clearer definitions are needed, along with a comprehensive plan for the practical implementation of these provisions.

Discussion

The analysis of the term “timely” in the context of performing the obligations of electronic money issuers revealed multiple dimensions, encompassing both legal and practical aspects. Grammatically, the phrase emphasises the significance of adhering to a predetermined timeframe. However, this significance goes beyond mere technical compliance; it serves as a tool to build user trust, maintain financial stability, and foster the development of a responsible digital payment ecosystem. The urgency of timeliness is not only rooted in the obligation to follow applicable regulations, but also acts as a guideline for transparent, accountable, and committed financial behaviour, thereby supporting the creation of a safe and reliable environment for electronic money transactions.

In practice, timeliness in performing the obligations of electronic money issuers is not only a means to ensure compliance with regulations but also reflects the social responsibility of these issuers. This is crucial in maintaining a safe digital financial ecosystem and ensuring high resilience to the risks that may arise in managing electronic money float funds. Interpreting the term “timely” in the context of the performance of the obligation to manage float funds requires a comprehensive study of relevant regulations and their impact on both stability and public confidence in the electronic money system. As shown in the Table 1 above, regulatory developments from PBI 2009 to PBI 2018 on Electronic Money³ provided more detailed guidelines for managing float funds, including the obligation to separate float funds from the issuer’s operating account. While these regulations offer clarity in terms of fund management, they have yet to establish a clear

¹ Bank Indonesia Regulation No. 20/06/PBI/2018 “On Electronic Money”. (2018, May). Retrieved from <https://www.bi.go.id/id/publikasi/peraturan/Pages/PBI-200618.aspx>.

² Ibidem, 2018.

³ Ibidem, 2018.

time limit as a reference for the timely performance of obligations.

Setting clear time limits will enhance legal certainty for all parties involved, particularly regarding potential delays in performing obligations. For instance, specifying maximum time limits in days or hours can reduce the risk of disputes and protect the rights of users and providers of goods and/or services from losses caused by uncertainty about when obligations will be performed. Based on this analysis, it is necessary to revisit the provisions of the term “timely” in the management of float funds by electronic money issuers to prevent legal uncertainty, which could undermine public confidence in the electronic money system. This is especially significant considering the changes and developments in financial technology since the enactment of electronic money regulations in 2018.

In his theory of legal certainty, G. Radbruch (1961) identified four key aspects the law must be established as a regulation stipulated in legislation: (1) the law should be grounded in factual circumstances rather than being based on subjective explanations or formulations related to judicial assessments; (2) facts must be articulated through a clear and consistent mechanism to avoid misinterpretation and facilitate ease of application; (3) positive law should not be subject to frequent changes.

G. Radbruch (1961) emphasised that facts must be formulated clearly to avoid confusion in interpretation. The timely application of the phrase requires clarity on when an obligation is considered to have been fulfilled within the prescribed timeframe. This theory underscores that ambiguity in interpreting the term “timely” can lead to confusion and potentially cause conflicts between the parties involved, particularly issuers, users, and providers of goods and/or services.

Legal ambiguity arising from articles that are open to multiple interpretations can be considered a form of legal uncertainty in the enforcement of regulations in Indonesia, especially within the financial sector concerning electronic money. This uncertainty can complicate the interpretation, application, and supervision of existing regulations, thereby hindering consumer protection efforts and undermining certainty in the performance of the issuer’s obligations. While agreements can provide a level of certainty because their substance is mutually agreed upon by the parties, they stay binding only on those involved. The certainty derived from an agreement tends to be flexible and contingent upon the concrete arrangements made by the parties, resulting in varied standards among different electronic money issuers.

This situation contrasts with general and binding regulations, as individual agreements do not always yield uniform standards. For instance, one issuer may establish a deadline for the performance of obligations within one day, while another issuer may allow three days. This flexibility can create uncertainty for users,

who may be unclear about the general standards that should apply.

To address this uncertainty, more definitive regulations are needed that stipulate the definition and time limits related to the performance of float fund management obligations. With these stricter provisions, all electronic money issuers will follow the same standards, preventing divergent interpretations and providing better legal certainty for all parties involved, particularly users and providers of goods and/or services. This will also assist issuers in consistently performing their obligations, reduce the risk of disputes, and facilitate supervision by the relevant authorities.

In terms of the vagueness of the term “timely”, further clarity is needed on the concrete timeframe that should be considered “timely”. A clear definition of this timeframe will provide guidelines for users and providers of goods and/or services concerning the performance of obligations to manage float funds by electronic money issuers, ensuring legal certainty for all parties involved. Setting firm and definite time limits will minimise the potential for varying interpretations, which are often a source of disputes between the parties. For example, a provision that explicitly states “within 24 hours” or “on the next business day” can prevent ambiguity that arises from more general phrases like “timely”. To achieve this, the term “timely” should be reviewed in the article, either by establishing general regulatory provisions or through a written agreement between the parties. A regulatory approach that specifies concrete time limits in Article 49, paragraph (2), could be incorporated into a written agreement with users or providers of goods and/or services, thereby binding the parties to a time commitment that aligns with the needs of managing float funds in electronic money.

Conclusions

This study fulfilled its purpose by identifying the legal uncertainty arising from the vagueness of the phrase, as well as its impact on legal certainty for issuers, users, and supervisory authorities. The present study examined the term “timely” through grammatical analysis to explore its literal meaning, as well as historical analysis to trace the development of the concept within the relevant legal framework. Additionally, normative analysis is conducted by reviewing the evolution of regulations related to electronic money from 2009 to 2018. The findings of this study revealed regulatory developments; however, ambiguity persists regarding the timeframe for the performance of obligations by electronic money issuers. The key conclusion of this study is that the ambiguity of the phrase creates legal uncertainty in the implementation of obligations by electronic money issuers, which undermines users’ trust in digital payment systems. Furthermore, this study identified the need for a concrete timeframe as a clearer legal guideline. Such clarity would help reduce interpretational differences, improve the effectiveness of supervision

by relevant authorities, and encourage more consistent compliance by e-money issuers.

The significance of this study lies in the value of legal clarity in the regulation of electronic money, particularly for the protection of consumer interests and the maintenance of the integrity of the digital financial system. More specific timelines can help reduce potential disputes and uncertainty among relevant parties, including issuers, users, and providers of goods and/or services. In the context of an evolving digital financial sector, certainty in the timing of obligations is a vital element in maintaining public confidence and industry stability, which supports technological innovation.

Further research could be directed towards comparative studies with analogous regulatory frameworks in other countries to explore how clearer timing may

affect the level of compliance by issuers and consumer protection. Limitations of this study included its reliance on existing regulatory texts without cross-jurisdictional comparative analysis, which may limit insights into effective regulatory practices in other countries. Further research using this comparative approach will provide a broader understanding of effective regulatory solutions for overcoming normative ambiguity regarding the timely performance of obligations concerning the management of float funds.

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Conflict of Interest

The authors of this study declare no conflict of interest.

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Значення терміна «своєчасно» у виконанні зобов'язань з управління фондами обігу електронних грошей

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Анотація

Цифрові технології суттєво трансформували фінансову індустрію, зокрема в упровадженні систем електронних грошей в Індонезії, які стали ключовим платіжним інструментом у цифрову епоху. Метою цього дослідження було проаналізувати доцільність використання поняття «своєчасний» на прикладі статті 49, пункті (2), літера «с» Положення Банку Індонезії № 20/06/PBI/2018 «Про електронні гроші», що регулює зобов'язання емітентів електронних грошей в управлінні розміщеними коштами. За допомогою нормативно-правового методу розглянуто граматичне й історичне тлумачення терміна «своєчасний», з огляду на його вплив на правову визначеність. Метод тлумачення передбачав аналіз змін у політиці Банку Індонезії, внесених до нормативних актів у період з 2009-го до 2018 року, з метою висвітлення еволюції вимог і правил щодо управління фондами, які знаходяться в обігу. Результати засвідчили, що нечіткість терміна «своєчасний» призвела до різних тлумачень, які впливають на емітентів електронних грошей, користувачів і наглядові органи, створюючи правову невизначеність. Розбіжності в тлумаченні не лише призводять до юридичної невизначеності, а й можуть підірвати довіру користувачів до цифрових платіжних систем. Подальший аналіз дав підстави констатувати критичну роль цього терміна в забезпеченні цілісності й стабільності екосистеми електронних грошей. Нечіткість термінів виконання зобов'язань актуалізує необхідність встановлення конкретних часових меж для мінімізації потенційних конфліктів і невизначеностей. У дослідженні рекомендовано регуляторам розробити чіткіші інструкції з управління обіговими коштами в електронних грошах, щоб підвищити рівень правової визначеності й захистити інтереси споживачів. Встановлення конкретного часового стандарту для управління фондами, що знаходяться в обігу, допоможе емітентам послідовно виконувати свої зобов'язання та спростить процес нагляду для регуляторних органів.

Ключові слова:

цифрові фінанси; тлумачення; неоднозначність; правова невизначеність; регулювання