

Legal Aspects Analysis of Start-Up Entrepreneurship Using Social Media

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ABSTRACT

The purpose aims at investigating legal aspects of startup companies especially in using social media. Sustainability of startup companies depends on compliance with legal aspects. Two startup theories, lean startup and network theory were applied. Using qualitative approach by reviewing relevant literatures, the legal aspects were identified. The study finds that there are three important aspects of startup namely legal structures of business, legal documents and online legal aspects. A startup may use sole proprietary, partnership, and corporation business structure. A startup need agreements, contracts, and policies. Online business legal aspects relate to Law no. 8 of 1999 concerning Consumer Protection, Law no. 11 of 2008 concerning Information and Electronic Transactions, Law no. 28 of 2014 concerning copyright, Law Number 6 of 1983 concerning General Provisions and Tax Procedures. Compliance of the regulations would support sustainability of a startup business.

Keywords: entrepreneurship, law, legal, social media, start-up

1. INTRODUCTION

Start-ups are a pivotal part in modern market economies (Beke et al., 2023; Blank & Eckhardt, 2023; Lago et al., 2023; Zhuge et al., 2023). They are innovative businesses that are developing business models (Basri & Siam, 2017). The importance consists of start-ups being the vehicle which drives innovation, expands the employment market; and thus have beneficial impacts.

To measure the economic impact of startups, it is important to highlight the considerable contribution made to the economy by these micro, small and medium enterprises (Abdulmanapov et al., 2023). The fact that startups are contributors to economic growth cannot be denied (Blank & Eckhardt, 2023). In 2022, Small and medium enterprises accounted for 71.8% of employment in the business sector.

Starting a new business is a significant decision that requires careful planning and consideration (Caliendo et al., 2023). The importance of a well-thought-out business start-up cannot be overstated (Cavallo et al., 2021). From creating a solid business plan to understanding the market and competition, every step in the start-up process can impact the success of the venture.

Startup businesses face unique challenges and opportunities in today's dynamic business environment (Ahamat & Sin, 2022). One key strategy for startup businesses to drive growth and improve efficiency is through embracing digital transformation (Gidron et al., 2023). By integrating technology into different aspects of the business, startup businesses can streamline operations, enhance customer experiences, and gain valuable insights through data analytics (Lago et al., 2023). Adopting cloud computing, implementing customer relationship management systems, and leveraging e-commerce platforms are just a few examples of how startup businesses can harness the power of digital transformation to compete effectively in the modern marketplace.

In addition to technological advancements, new businesses can benefit from embracing innovative marketing approaches (S. Abdullah & Ampauleng, 2024). Utilizing social media platforms, implementing targeted online advertising campaigns, and embracing content marketing strategies can help startup reach and engage with their target audience in a cost-effective manner (Blank & Eckhardt, 2023). With the right mix of traditional and digital marketing tactics, startups can enhance their brand presence and drive customer acquisition.

Starting a new business also requires a thorough understanding of legal and regulatory requirements, as well as compliance with tax laws and other regulations (Ansong & Boateng, 2019). Additionally, seeking out mentors or advisors who have experience in the industry can provide valuable guidance and support (Chache et al., 2022). Embracing technological advancements and implementing efficient systems and processes can also significantly contribute to the smooth operation of the business.

In the complex web of modern business and startup operations, legal literacy is not just beneficial; it is indispensable (Basri & Siam, 2017). It empowers businesses to navigate the legal landscape with confidence, ensuring not only their survival but their ability to thrive and innovate (Albov et al., 2019). Therefore, investing in legal knowledge and expertise should be a foundational pillar for any business aiming for sustained success in today's competitive global market.

The study was intended to explore legal aspects of start-up entrepreneurship using social media. The study purpose is achieved using legal literature review relevant to the study.

2. THEORETICAL BASIS

2.1. Lean Start-Up Approach

One of the key theories that has been influential in the start-up world is the Lean Start-up methodology (Blank & Eckhardt, 2023; Zhuge et al., 2023). Lean startup methodology is the process of validating preconceived ideas by carefully testing a customer's reaction to an MVP (Blank & Eckhardt, 2023). This feedback is then analyzed to determine whether a company should persevere with the same idea or pivot.

This approach advocates for the development of iterative prototypes and constant customer feedback to help start-ups quickly adapt and refine their products or services (Adwan & Altrjman, 2024). By validating assumptions early and making adjustments based on real market feedback, start-ups can increase their chances of success while minimizing wasted resources (Basri & Siam, 2017). Additionally, the concept of disruptive innovation, popularized by Clayton Christensen, has also had a major impact on the way start-ups approach market entry and competition.

This theory emphasizes the creation of products or services that create new markets and value networks, often at the expense of existing market leaders (Möller et al., 2020). Integrating these theories into start-up strategies can provide a strong foundation for navigating the challenges and uncertainties of entrepreneurship (Benqatla & Bounabat, 2018). Another influential theory in the start-up world is the effectuation theory, which focuses on the idea that entrepreneurs don't necessarily start with a specific goal in mind, but instead leverage their existing resources and networks to create opportunities (Costa & Da Cunha, 2015). This approach contrasts with the

traditional "causal" approach, where entrepreneurs set a specific goal and work towards achieving it. Effectuation theory emphasizes the importance of being flexible and adaptable in the face of uncertainty, which is particularly relevant for start-ups operating in dynamic and rapidly changing markets.

2.2. Network Theory

Another modern perspective is the Network Theory, which recognizes the significance of social and professional networks in the entrepreneurial journey (Balamurugan et al., 2020). This theory emphasizes the role of connections, relationships, and collaborations in accessing resources, knowledge, and opportunities essential for entrepreneurial success (Costa & Da Cunha, 2015).

One of the fundamental concepts in the network theory of entrepreneurship is the idea that entrepreneurs operate within a network of relationships that influences their opportunities, resources, and success (Ceric & Ivic, 2021). This network includes other entrepreneurs, industry experts, potential customers, suppliers, investors, and other key stakeholders (de Albuquerque & Christ, 2012). Understanding and effectively navigating this network is crucial for an entrepreneur's success (Xie et al., 2020). By building and maintaining strong relationships within the network, entrepreneurs can access valuable resources, gain support and mentorship, and identify new opportunities for collaboration and growth.

Additionally, being embedded in a strong network can enhance an entrepreneur's reputation and credibility, which can further open doors for partnerships and investment (Abdulmanapov et al., 2023). It's important for entrepreneurs to actively engage with their network, attending industry events, conferences, and workshops to connect with other professionals and build relationships.

Furthermore, participating in networking groups and online communities can provide valuable opportunities to expand one's network and learn from others' experiences (Ahamat & Sin, 2022). Building a diverse network that includes individuals from different industries and backgrounds can offer varied perspectives and insights, which can be beneficial for problem-solving and innovation.

As entrepreneurs continue to nurture and expand their network, they increase their access to a wide range of expertise and support, ultimately strengthening their entrepreneurial endeavors (Aboobaker et al., 2023). Entrepreneurs can also leverage their network for market validation and feedback on their products or services (Akhtar, 2021). Seeking input from potential customers and industry experts within their network can help entrepreneurs refine their offerings and better understand market needs and trends.

In addition to external networking, entrepreneurs should also focus on fostering a collaborative and supportive internal network within their own team (Chan & Saqib, 2015). Building a strong internal network can enhance communication, foster innovation, and create a cohesive and motivated team, all of which are essential for the success of a business.

By recognizing the significance of networking in entrepreneurship and actively participating in both external and internal networking activities, entrepreneurs can position themselves for long-term success and growth in their ventures (Balamurugan et al., 2020). Networking is not just about making connections—it's about cultivating and leveraging those connections to drive innovation, build a strong support system, and ultimately, achieve business success.

2.3. Startup and Legal Aspects

When considering start-ups, it is hard to define them in legal terms (Y. A. Abdullah & Bin Mansor, 2018). The term "start-up" is used for a company that is in the early stages of its life cycle, which means that it is taking its first steps (Adamec & Hrmo, 2023). These companies can usually be identified by some special characteristics, such as the fact that, most of the times, the

company doesn't generate positive cash flows, their main objective is to develop a new business model that can be later than used to reach scalable growth, they try to solve a problem by creating an innovative product and they can't invest in a very expensive technology.

As start-ups continue to evolve and adapt in today's competitive business environment, it's important to also consider the role of agile methodologies in the development and management of products and services (Althabhwai et al., 2022). Agile methods, originally conceived for software development, have since been embraced by start-ups across various industries due to their emphasis on flexibility, collaboration, and responsiveness to change. By adopting agile principles, such as iterative development, frequent testing, and cross-functional teamwork, start-ups can better manage uncertainty and accelerate their product delivery while maintaining a focus on customer value.

Additionally, the concept of design thinking has emerged as a valuable tool for start-ups seeking to create user-centered solutions. Design thinking encourages a deep understanding of user needs and preferences through empathy and iteration, ultimately leading to more innovative and meaningful products (Adwan & Altrjman, 2024). By integrating design thinking principles alongside lean start-up methodologies, entrepreneurs can foster a culture of empathy and creativity within their teams while also delivering solutions that truly resonate with their target audience.

As start-up founders and teams continue to navigate the complexities of entrepreneurship, it's essential to stay abreast of emerging theories and methodologies that can provide valuable insights and guidance (Cavallo et al., 2021). By embracing a diverse range of perspectives and approaches, start-ups can position themselves for sustained innovation and growth in an ever-changing business landscape.

It's also important for start-ups to consider the role of market research and validation in their strategies (Baje & Prakash, 2024). Conducting thorough market research to understand customer needs, preferences, and pain points can provide valuable insights that inform product development and market entry strategies (Alshahrani & Salam, 2024). Additionally, validating assumptions and hypotheses through experiments and real-world testing can help start-ups make informed decisions and mitigate the risks associated with launching new products or entering unfamiliar markets (Gidron et al., 2023). This iterative approach to product development and market entry can not only increase the likelihood of success but also reduce the potential for wasted resources and efforts.

Furthermore, as start-ups aim to build sustainable businesses, the concept of social entrepreneurship has gained traction (Albov et al., 2019). Social entrepreneurship focuses on addressing social or environmental challenges through innovative business solutions (Ali et al., 2020). By integrating principles of social entrepreneurship into their business models, start-ups can create meaningful impact while also building competitive and sustainable ventures.

In today's interconnected and fast-paced business environment, staying adaptable and open to new theories and methodologies is crucial for start-ups to thrive (Nur, 2019). As the start-up landscape continues to evolve, maintaining a mindset of continuous learning and adaptation will be foundational to success. By integrating these various theories and methodologies into their start-up strategies, entrepreneurs can enhance their ability to innovate, adapt to market conditions, and effectively communicate their business concepts to stakeholders (Gidron et al., 2023). This comprehensive approach can provide a solid framework for navigating the complexities of the start-up landscape.

3. RESEARCH METHODS

The approach of this study is a qualitative using comprehensive literature review (Abu-Zayed et al., 2022; Antony et al., 2023). To conduct a comprehensive literature review, it is essential to ensure the collection of relevant and reliable sources (Bhar, 2019). Utilizing online databases such

as Scopus and Google Scholar can help in locating peer-reviewed articles, academic journals, and books (Abu-Zayed et al., 2022). Additionally, employing specific keywords and Boolean operators can refine the search results to include only the most pertinent material.

After gathering the initial pool of sources, it is crucial to critically evaluate their quality and relevance to the research topic (Bleiker et al., 2019). Assessing the author's credentials, publication date, and methodology used in the study can aid in determining the reliability of the sources (González-Díaz, 2022). Furthermore, identifying key themes and findings within the literature can help in organizing the information into a coherent framework.

As the literature review progresses, synthesizing the information from various sources and identifying any knowledge gaps or conflicting viewpoints will be vital in presenting a well-rounded analysis (Bleiker et al., 2019). Lastly, properly citing all referenced material using the preferred citation style is crucial to avoid plagiarism and give credit to the original authors.

Additionally, as you continue to progress through the literature review, be mindful of the chosen citation style and ensure all referenced material is properly cited (Gear et al., 2018). This will not only avoid plagiarism but also give credit to the original authors whose work contributes to the foundation of your own research (Ade Bilau et al., 2018). As you move forward with your literature review, maintaining a systematic approach and being attentive to the synthesis of information will result in a thorough and insightful analysis of the chosen topic.

Once the coding process is completed, the next step is to analyze and interpret the qualitative data (González-Díaz, 2022). This involves reviewing the coded data, identifying patterns and themes, and drawing conclusions based on the findings. During this stage, it is important to remain open-minded and to consider alternative explanations for the data.

After the analysis, the next step is to report the findings (Cui, 2023). This could be in the form of a research paper, a presentation, or a report (Cheng, 2021). The report should include a detailed description of the methods used for data collection and analysis, a summary of the findings, and a discussion of the implications of the results.

4. RESULT AND DISCUSSION

As your legal start-up grows, it's advisable to seek the guidance of legal professionals specializing in employment law to ensure that your business remains compliant with the evolving legal landscape. Their expertise can help you navigate complex employment issues and maintain a harmonious and legally sound workplace. In the following sections, we will also delve into creating comprehensive legal structure of business and legal documentation to protect your legal start-up from potential disputes or liabilities.

4.1. Legal Structure of Business

Starting a new business comes with a variety of legal requirements that need to be addressed. One of the first steps is to choose the legal structure for business, whether it's a sole proprietorship, partnership, corporation, or limited liability company. Each structure has its own set of legal implications, such as tax requirements, liability protection, and ownership restrictions.

4.1.1. Sole Proprietorship

A sole proprietorship is the simplest and most common structure chosen to start a business. It is an unincorporated business owned and run by one individual with no distinction between the business and the owner. You are entitled to all profits and are responsible for all your business's debts, losses, and liabilities. Starting a sole proprietorship is an appealing option for many entrepreneurs due to its ease of setup, straightforward tax preparation, and complete control over business decisions. Here's a comprehensive guide to help you get started.

Legal Requirements and Registration should Choose a Business Name, then obtain necessary licenses and permits. Registering for taxes, as a sole proprietor, you will use your Social

Security number for tax purposes in most cases, but you may also need to obtain an Employer Identification Number from the IRS. This is particularly necessary if you plan to hire employees. Additionally, be aware of any state or local taxes you may need to pay.

4.1.2. Partnership

In the world of business, the concept of partnership signifies an agreement between two or more parties to manage and operate a business in accordance with the terms set forth in a Partnership Agreement. This collaboration leverages the diverse strengths, resources, and expertise of the partners, aiming to enhance the business's profit-making potential beyond what each could achieve independently. Partnerships can take various forms, each with its own set of rules, liabilities, and tax implications. The three most common types of partnerships are general partnership, limited partnership and limited liability partnership.

4.1.3. Corporation

The concept of a corporation extends far beyond its role as a business entity; it embodies the integration of legal recognition, investor contribution, and a distinct identity that separates it from its owners and operators. This separation is crucial, as it enables the corporation to own property, enter contracts, and incur liabilities independently of its shareholders.

A corporation is created through a legal process that involves registration with a governmental authority. This process includes the preparation of key documents, such as the articles of incorporation, which outline the corporation's purpose, structure, and the rights of shareholders. The legal structure of a corporation provides it with the unique ability to be treated as an individual entity, capable of perpetuity, which means it can continue to exist beyond the lifespan of its founders and shareholders.

One of the defining features of a corporation is its ability to raise capital through the issuance of shares. Shareholders invest in the corporation by purchasing shares, providing the necessary capital for the corporation to operate and grow. In return, shareholders gain a potential for dividends and an appreciation of value in their shares. Importantly, shareholders typically enjoy limited liability, meaning they are not personally responsible for the corporation's debts and liabilities. This limited liability encourages investment and is fundamental to the corporate structure.

The governance of a corporation is typically structured around a board of directors, elected by the shareholders. The board oversees the major policy decisions and appoints the executive officers who manage the day-to-day operations. This separation of ownership and control is characteristic of larger corporations and necessitates a system of practices and procedures to ensure accountability and protect the interests of shareholders.

Corporations are subject to corporate tax rates, which are often different from those applied to individuals or partnerships. While this can lead to advantages, such as deductible business expenses, it also introduces the concept of double taxation. In some jurisdictions, profits are taxed at the corporate level and then taxed again when distributed as dividends to shareholders. This aspect is a critical consideration in corporate planning and structure.

The corporate form offers several advantages, including limited liability for its shareholders, perpetual existence, and the ability to raise substantial amounts of capital. However, it also faces challenges, such as regulatory compliance, governance complexity, and potential conflicts between shareholders and management. Balancing these dynamics is key to the successful operation and sustainability of a corporation.

4.2. Legal documents

Creating comprehensive legal documentation, creating comprehensive legal documentation is essential for safeguarding your legal start-up from potential disputes or liabilities. This involves

developing thorough agreements, contracts, and policies that outline the rights and responsibilities of all parties involved, including clients, employees, and partners.

4.2.1. Agreements

One crucial aspect of creating legal documentation is to ensure that it is clear, unambiguous, and in compliance with relevant laws and regulations. This includes drafting robust client engagement agreements to define the scope of legal services, fee structures, and dispute resolution mechanisms. Additionally, having well-defined employee handbooks and internal policies can establish clear expectations and guidelines for conduct within your legal start-up.

As we continue to navigate through these crucial aspects of legal requirements for your start-up, it's imperative to prioritize seeking legal advice and guidance to ensure that your business remains compliant and well-protected. Additionally, staying informed about any changes in relevant laws and regulations will enable you to adapt and maintain a thriving and legally sound legal start-up. Hiring employees for your legal start-up is a significant milestone that comes with various legal considerations and responsibilities. As an employer, it's crucial to understand and comply with employment laws to ensure fair treatment for your employees and mitigate potential legal risks for your business.

When hiring employees, you'll need to familiarize yourself with the process of creating employment contracts, understanding wage and hour laws, and complying with workplace safety regulations. Additionally, you'll need to consider the implications of employee benefits, such as health insurance and retirement plans, to provide a competitive and attractive employment package.

4.2.2. Contracts

Moreover, as your business expands, you may need to create partnership agreements if you decide to collaborate with other legal professionals or entities. These agreements should outline the terms of the partnership, profit-sharing arrangements, and dispute resolution procedures to prevent potential conflicts in the future.

By prioritizing the development of comprehensive legal documentation, you can mitigate the risk of legal disputes and uphold the integrity of your legal start-up. Seeking the counsel of legal professionals experienced in contract law and business regulations can provide valuable insight into creating effective and legally enforceable documentation tailored to your specific business needs.

Furthermore, establishing clear and equitable policies for hiring, employee conduct, and termination procedures is essential to create a fair and compliant work environment. By prioritizing these policies and practices, you can protect your legal start-up from potential disputes and legal liabilities related to employment matters.

4.2.3. Policies

As your legal start-up grows, it's advisable to seek the guidance of legal professionals specializing in employment law to ensure that your business remains compliant with the evolving legal landscape. Their expertise can help you navigate complex employment issues and maintain a harmonious and legally sound workplace.

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client engagement agreements to define the scope of legal services, fee structures, and dispute resolution mechanisms. Additionally, having well-defined employee handbooks and internal policies can establish clear expectations and guidelines for conduct within your legal start-up.

Now that we have established the basics of setting up a legal start-up, it's time to delve into the specifics of legal requirements and regulations that apply to a business. It's crucial to ensure that you are in compliance with all relevant laws and regulations to avoid any legal complications in the future. This involves obtaining the necessary licenses and permits, setting up contracts and agreements, and understanding the tax implications of the start-up business. Additionally, it's important to consider intellectual property protection for your legal start-up, such as trademarks and copyrights, to safeguard your unique ideas and services.

Next, we will explore the process of hiring employees if applicable, and the legal considerations involved in doing so. Understanding employment laws and regulations will not only protect your business but also ensure fair treatment for your employees. As we proceed, we will also address the importance of creating clear and comprehensive legal documentation to protect your legal start-up from potential disputes or liabilities. As we navigate through these legal aspects, it's important to seek professional legal advice to ensure that your start-up is fully compliant and well-protected in the competitive legal industry.

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By integrating these strategies into your operational framework, you can ensure that your legal start-up remains well-informed, adaptable, and positioned for long-term success in a dynamic legal landscape. As we conclude our exploration of legal aspects, it's essential to continue prioritizing legal due diligence and staying proactive in safeguarding your legal start-up.

4.3. Online Business Startup legal aspects

Basically, online buying and selling is one of the media used to carry out buying and selling transactions. However, the nature of the transaction is buying and selling so it still refers to the rules regarding buying and selling as regulated in the Civil Code. In electronic contracts for online buying and selling transactions or e-commerce businesses, sellers have their respective rights and responsibilities.

Apart from the above obligations, Article 7 of Law no. 8/1999 concerning Consumer Protection (Consumer Protection Law) also regulates that a seller as a business actor is obliged to provide compensation to the buyer or consumer if the goods received are not in accordance with what was agreed. This is done so that buyers can claim their rights if there is product fraud committed by the seller.

Even though it is done online via the Internet, online contracts can also be electronic documents that can be used as evidence to avoid misuse by irresponsible people and causing losses. Even though in practice there is no sale and purchase agreement signed by the seller and buyer, if there is confirmation of payment made by the buyer and notification from the seller that the goods will be sent, then this can be used as evidence of an agreement between the seller and the buyer to carry out transaction.

Legal protection for sellers and buyers as well as documents that can be used as evidence in online buying and selling transactions.

1. Legal protection based on agreements, in general, for every online transaction there is an electronic document created by the seller which contains the rules and conditions that must be complied with, including the payment period, as well as the time period and delivery method. Although in practice sellers and buyers often do not sign an agreement, if the buyer has placed an order for the desired goods and the seller is willing to hand over the goods, then there has been an agreement between the parties to carry out a sale and purchase transaction. These rules and conditions can be used as legal protection for both parties. Below are three legal protections contained in the agreement according to Edmon Makarim. Legal protection for sellers; in the agreement, the seller has the right to obtain payment from the buyer for the products purchased by the buyer. If the buyer does not make payment within the specified time, the seller can cancel the purchase of the item and sell it to another prospective buyer. By having clear rules regarding the payment period, it will provide protection for the seller where the seller cannot be blamed if the seller gives the goods to another prospective buyer in the event that the buyer does not make payment by the specified time limit. Legal protection for customers; as the buyer, the buyer has the right to obtain goods according to the agreed type and specifications. In the agreement, the buyer's right to obtain compensation from the seller can be regulated if the goods delivered are not suitable. For example, buyers can exchange goods or compensate for losses in the form of money from the seller. Personal data protection; In the current era of Industry 4.0, data is an important asset and obtaining it is getting easier. When a buyer creates an account on an e-commerce provider's website, the buyer will be asked to enter personal data and this personal data will be entered into the system managed by the e-commerce business operator or seller. This is where personal data must be protected starting from acquisition, use, processing, distribution, to destruction of personal data. These rules can be accommodated in the privacy policy or privacy policy. When a buyer makes a transaction via a website or electronic media managed by an e-commerce provider, the buyer has entered into an agreement with the e-commerce organizer or seller in a privacy policy.
2. Legal protection based on the Consumer Protection Law, apart from electronic agreements for online buying and selling transactions, protection for buyers has actually been generally regulated in the Consumer Protection Law, where the Law regulates the rights and obligations of sellers and buyers, prohibitions for sellers, as well as methods for resolving disputes if a dispute occurs between the seller and buyer. As an online business owner, you need to pay attention to the provisions regulated in the Consumer Protection Law, including what things are prohibited from doing so that your online buying and selling transactions remain safe and do not violate the law.
3. Electronic evidence, along with technological developments, evidence that was previously limited to physical documents has developed into electronic information and electronic documents. This is explicitly stated in Article 5 paragraph (1) of Law no. 11/2008 as amended by Law no. 19/2016 concerning Information and Electronic Transactions (UU ITE) which states that information, electronic documents or printed results are valid evidence and are an extension of legal evidence in accordance with the procedural law in force in Indonesia. With the provisions regarding this matter, it will provide legal certainty regarding the implementation of electronic transactions in Indonesia.

Online businesses must comply with the same laws and regulations as brick-and-mortar businesses. Here are some laws to pay attention to in online business:

1. Consumer Protection Law: Online businesses must ensure that the products and services they offer meet quality and safety standards, and provide clear and accurate information about those products and services. Explained in Law no. 8 of 1999 concerning Consumer Protection.

Article 4 paragraph (1) regulates that every producer, importer, distributor and trader is obliged to ensure that the products traded or provided meet quality and safety standards in accordance with national standards. Article 7 paragraph (1) regulates that every producer, importer, distributor and trader is obliged to provide clear, accurate and not misleading information about the products being traded or provided.

2. **Electronic Commerce Law:** Online businesses need to comply with regulatory provisions on electronic transactions, such as personal data and privacy protection, electronic signatures, and online transaction security protection. Explained in Law no. 11 of 2008 concerning Information and Electronic Transactions. Article 26 paragraph (1) regulates that every electronic system operator is obliged to maintain the confidentiality of system users' personal data and must not provide such personal data to other parties without the user's consent. Article 50 regulates that anyone who commits an act that violates the provisions of this law can be punished with imprisonment and/or a fine.
3. **Copyright and Intellectual Property Laws:** Online businesses need to comply with copyright and intellectual property rights in the products and services they offer, including in matters of content, design and trademarks. Explained in Law no. 28 of 2014 concerning copyright. Article 33 paragraph (1) regulates that anyone who uses another person's copyright without permission may be subject to imprisonment and/or a fine. Article 70 paragraph (1) regulates that anyone who offers or sells copyrighted works via the internet may be subject to imprisonment and/or a fine.
4. **Taxes:** Online businesses must pay attention to tax obligations and collect the necessary taxes according to the tax laws of their region. The law that regulates taxes for online businesses in Indonesia is Law Number 6 of 1983 concerning General Provisions and Tax Procedures, which has undergone several changes. Several articles relating to taxes for online businesses include:
 - a. Article 2 paragraph (1) states that every individual or entity, including online businesses, who earn income in any form is obliged to pay tax.
 - b. Article 4 paragraph (1) regulates that taxes are imposed on income includes income tax (PPH) articles 21, 22, 23, 24, 25, 26, 29, and 4 paragraphs (2) and value added tax (VAT).. Article 21 paragraph (1) regulates that income tax (PPH) article 21 is imposed on income in the form of wages, salaries and honorariums, including for workers or employees who work in online businesses.
 - c. Article 23 paragraph (1) regulates that income tax (PPH) article 23 is imposed on income from business or independent work carried out by corporate taxpayers or individual taxpayers, including online businesses.
 - d. Article 4 paragraph (2) regulates that entrepreneurs and/or importers are obliged to collect VAT on the delivery of taxable goods and/or taxable services within a certain specified time period.

Apart from that, Government Regulation Number 46 of 2013 concerning Income Tax on Income from Businesses Received or Obtained by Taxpayers Who Have Permanent Business Establishments and/or Business Activities in the Field of Trading Via Electronic Media, also regulates taxes for online businesses. This regulation emphasizes that online businesses are required to calculate and pay income tax (PPH) and value added tax (VAT) in accordance with applicable regulations.

Provisions and regulations regarding taxes for online businesses in Indonesia can change according to current and future laws and regulations. Therefore, it is very important for online

business entrepreneurs to always update their knowledge and comply with applicable regulations to avoid sanctions and legal problems.

5. CONCLUSION

Starting a new business also requires a thorough understanding of legal and regulatory requirements, as well as compliance with tax laws and other regulations. In the complex web of modern business and startup operations, legal literacy is crucial for business sustainability. It empowers businesses to navigate the legal landscape with confidence, ensuring not only their survival but their ability to thrive and innovate.

There are three important aspects of startup namely legal structures of business, legal documents and online legal aspects. A startup may use sole proprietary, partnership, and corporation business structure. A startup need agreements, contracts, and policies. Online business legal aspects relate to Law no. 8 of 1999 concerning Consumer Protection, Law no. 11 of 2008 concerning Information and Electronic Transactions, Law no. 28 of 2014 concerning copyright, Law Number 6 of 1983 concerning General Provisions and Tax Procedures. Compliance of the regulations would support sustainability of a startup business. the last conclusion is that this online business in practice is the same as conventional business in general, which is bound by applicable regulations and laws. Therefore, online business people must understand and comply.

The study suggested that all entrepreneurs need to comply with all regulation in order to gain benefit from their operation and enjoy business continuity in the future.

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