
The Role of Commercial Law in Regulating Violations of Packaging Labeling

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Abstract

Indonesia is one of the countries with the largest population in the world today. According to bps.go.id, the population of Indonesia in mid-2025 is estimated to be around 284.438 million people. The public acts as consumers in product marketing by looking at packaging. Packaging is a container used to store food and protect food or beverages. In addition, packaging can be used for advertising purposes in marketing products. Packaging label regulations are stipulated in Law of the Republic of Indonesia Number 7 of 2014 concerning Trade, Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection (UUPK), and Government Regulation Number 69 of 1999 concerning Food Labels and Advertising. Therefore, labels must be present and in Indonesian. However, in the implementation of packaging label regulations, many violations have been found, making trade law a means of regulation in this area. In addition to being a means of regulation, commercial law also plays a role in enforcing the law related to violations committed by business actors. Business actors here are the subject of legal regulation because the state wants to protect consumers who will use or consume these goods in the future. The methodology used in solving the problems in this study is normative legal methodology, where the author conducts a study by examining laws and other legal principles. The final result is that packaging labels are very important when products distributed to the public

1. Introduction

Indonesia is currently one of the countries with the largest population in the world. According to data from bps.go.id, the population of Indonesia in mid-2025 is estimated to be approximately 284.438 million people. This condition poses future challenges, particularly in the field of public health. Based on the National Medium-Term Development Plan (RPJMN) for 2025–2029, health has become one of the main benchmark issues in seeking solutions to national development problems. In response to this, the government has issued Government Regulation (PP) Number 28 of 2024 concerning the Implementation of Law Number 17 of 2023 on Health related to the inclusion of nutritional labels on product packaging. However, in reality, many companies still employ certain tactics by reducing the size of nutritional labels on packaging so that they can add more elements to their products. The objective of Government Regulation (PP) Number 28 of 2024 concerning the Implementation of Law Number 17 of 2023 on Health is to increase consumer awareness

regarding nutritional content. the content of sugar, salt, and fat in products so that the public can be informed and become aware of their health conditions at the present time and in old age in the future.

The public here acts as consumers or individuals who purchase marketed goods or services. Consumers usually buy products by looking at the packaging; therefore, packaging becomes an important factor. Packaging serves as a medium to enhance the value and function of a product. Attractive packaging provides additional value for consumers and distinguishes products that are similar in form and quality. These differences can be seen through the labels that are usually found on product packaging. Packaging can be defined as an object that is able to protect and secure a particular product inside it and also convey a certain image to attract consumer interest in the product. According to Titik Wijayanti, packaging has several purposes and functions in product manufacturing, namely:

- a) To enhance the appearance of the product through packaging that is appropriate to the product category
- b) To provide product protection so that the product is not damaged while being displayed in stores
- c) To provide product safety during the distribution process
- d) To provide consumers with information about the product itself in the form of labeling
- e) To serve as the result of product design that represents the product itself. In this context, commercial law functions as the legal framework regulating the distribution of such products.

Commercial law is a field of law that regulates the relationships between one party and another in matters related to commercial activities. Another definition states that commercial law is a set of norms that specifically arise in the business world or within corporate activities. Commercial law is included within civil law, particularly contract law. Civil law regulates the relationships between legal subjects (individuals and other individuals) in order to fulfill their needs in social life. Commercial law itself has a legal basis in the Commercial Code (Kitab Undang-Undang Hukum Dagang/KUHD) and the Civil Code (Kitab Undang-Undang Hukum Perdata/KUHPerdata). In Article 1 point (1) of the Trade Secret Law, a trade secret is defined as information that is not known to the public in the field of technology and/or business, has economic value because it is useful in business activities, and is kept confidential by the owner of the trade secret. From this explanation, three important elements of a trade secret can be identified:

- a) A trade secret must constitute “information,” either in the field of technology or business, such as customer lists, food and beverage recipes, drug compositions, as well as internal processes for producing a product or service.
- b) A trade secret must have economic value that is useful in business activities.
- c) The trade secret must be kept confidential by the owner of the trade secret. Such confidentiality must also be maintained as properly required, which means that all measures deemed reasonable, appropriate, and proper must be taken. If these three elements are fulfilled, a trade secret is entitled to legal protection.

Trade secret law is regulated under the Trade Secret Act (Law No. 30 of 2000 on Trade Secrets) and forms part of commercial law. Article 1 stipulates that a trade secret is information that is not known to the public in the field of technology and/or business, has economic value because it is useful in business activities, and is kept confidential by the owner of the trade secret. This right arises by virtue of statutory law, and the form of exploitation of a trade secret is through licensing. A license constitutes a permit granted by the holder of trade secret rights to another party through an agreement based on the granting of rights (not the transfer of rights) to enjoy the economic benefits of a protected trade secret for a specified period and under certain conditions. Every entrepreneur possesses their own licenses and trade secrets in offering their products. Most goods marketed in Indonesia consist of food and beverage products, and such products are required to bear labels as stipulated in the Law of the Republic of Indonesia No. 7 of 2014 on Trade, the Consumer Protection Act No. 8

of 1999, and Government Regulation No. 69 of 1999 on Food Labeling and Advertising. These regulations are enacted to ensure that the public, as consumers, are legally protected in the field of commercial law.

B. Statement of the Problem

- a) What is the impact of the implementation of packaging labeling under commercial law in Indonesia?
- b) What is the role of commercial law in regulating packaging labeling with respect to business actors who fail to comply with or violate these provisions in Indonesia?

C. Objectives

To determine the impact of the implementation of packaging labeling on the economy and the role of regulatory enforcement in cases of packaging labeling violations under commercial law in Indonesia.

D. Benefits

To provide valuable experience through direct involvement in identifying, formulating, examining, recognizing target potential, solving problems, and seeking appropriate solutions. to address problems rationally through the use of relevant literature as well as through one's own potential, and to provide new information for readers

2. Research Method

The methodology employed to address the problems in this study is a normative juridical approach, in which the author conducts an analysis by examining statutory regulations and other legal principles. The final result indicates that packaging labeling is highly important when products are distributed to the public.

3. Result and Discussion

A. The Impact of the Implementation of Packaging Labeling Under Commercial Law in Indonesia

Packaging serves as a container used to store and protect food and beverages. In addition, packaging also functions as a medium of advertising; therefore, in marketing a product, the packaging must contain a label written in the Indonesian language. This requirement is regulated under consumer protection law, which stipulates that business actors have certain obligations, one of which is to provide information that is complete, truthful, and not misleading to consumers. Provisions regarding the use and completeness of labeling in the Indonesian language are contained in the Law No. 8 of 1999 on Consumer Protection, Government Regulation No. 29 of 2021, and Regulation of the Minister of Trade No. 25/M-DAG/PER/1/2021 concerning the Determination of Goods Required to Use or Be Accompanied by Labels in the Indonesian Language. A label is any description of goods in the form of images, writings, a combination of both, or other forms that contain information regarding the goods, information about the business actor, and other relevant information in accordance with statutory regulations, which is attached to, inserted into, affixed to, placed on, or forms part of the packaging of the goods. Information or explanations on labels in the Indonesian language on goods and/or their packaging that are related to consumer safety, security, and health, as well as environmental protection, must contain:

- a. Directions for Use
- b. Clear and easily understandable hazard symbols and/or warning signs.

The purpose of these regulations is to protect consumers in exercising their rights to safety, comfort, and security in the consumption of goods, as well as their right to obtain clear and accurate information in the Indonesian language. The regulation of packaging labeling is also governed by Government Regulation No. 69 of 1999 on Food Labels and Advertising, which obliges food business actors and/or producers to include information on food additives on product labels. Furthermore, Article 9 of Regulation of the Indonesian Food and Drug Authority No. 20 of 2021 on Processed Food Labeling stipulates that the information on labels must be presented in an orderly manner, clearly, be easily readable, and proportionate. In addition, Article 97 paragraph (3), letters (a) to (i), further specifies that packaging labels must contain nine aspects, namely:

- a) Product Name
- b) List of Ingredients Used
- c) Net Weight or Net Content
- d) Name and Address of the Manufacturer or Importer
- e) Halal Certification, where required
- f) Production Date and Production Code
- g) Expiration Date (day, month, and year)
- h) Distribution Permit Number for Processed Food Products
- i) Origin of Certain Food Ingredients

In addition, there are other regulations governing packaging labeling, namely Article 3 paragraph (2) letters (a) to (e) of Government Regulation No. 69 of 1999 on Food Labels and Advertising. Under this regulation, business actors are required to include the product name, list of ingredients used, net weight or net content, the name and address of the party that produces or imports the product into the territory of Indonesia, as well as the expiration date, month, and year. The circulation of food products without labels in the Indonesian language clearly harms consumers in Indonesia. With the presence of such products, consumers who lack legal awareness may not recognize their rights, particularly the right to obtain precise information regarding the composition, quality, safety, and usage instructions of the products they purchase. These rights are stipulated in Article 4 letter (c) of Law No. 8 of 1999 on Consumer Protection, which states that “The right to correct, clear, and honest information concerning the condition and guarantees of goods and/or services. The absence of packaging labels can have significant impacts on the public, particularly on health, as the contents of the food directly affect consumers’ future well-being. Without labels, undesirable consequences may occur, including reduced consumer purchasing interest. Packaging without labels influences buying decisions because consumers are unaware of the contents, including the ingredients used, nutritional value, and even the appearance of the packaging, which can be utilized for social media posts or stories. Such activities play a crucial role in modern trade. Clearly labeled products purchased by consumers tend to attract the attention of a wider audience. Consumer evaluation of product purchases is influenced by perceived personal interests or by conditions underlying the choices made. High consumer involvement can influence producers or marketers to align with consumer decisions regarding pricing, product types, quantity, and quality based on demand. Conversely, when consumer participation is low, consumers may make only a single purchasing decision. This occurs because consumers consider the rights granted to them under Article 3 of the 1999 Consumer Protection Law, which states that “Business actors who violate paragraph (1) are prohibited from continuing the offering, promotion, and advertising of the goods and/or services in question.”. Furthermore, Article 4 pertains to consumer rights, which include: 1) Goods and/or services; the right to comfort, security, and safety in consumption; 2) The right to choose goods and/or services and to obtain them in accordance with their exchange value, conditions, and the promised guarantees; 3) The right to correct, clear, and honest information regarding the condition and guarantees of goods and/or services; 4) The right to have their opinions and complaints regarding goods and/or services heard; 5) The right to obtain advocacy, protection, and proper consumer dispute resolution; 6) The right to receive consumer guidance and education; 7) The right to be treated or served properly, honestly, and without discrimination; 8) The right to obtain compensation, restitution, and/or replacement if the goods and/or services received do not conform to the agreement or are otherwise inadequate; 9) Rights regulated under other applicable statutory provisions.

B. The Role of Commercial Law in Regulating Packaging Labels for Business Actors Who Fail to Comply or Violate the Regulations

Law regarding the use of packaging labels serves as a cornerstone in consumer protection. Knowledge, understanding, and legal attitudes and behaviors related to the listing of ingredients on processed food labels are three key factors that must be considered. The low level of legal awareness regarding packaging label

compliance has become a prevailing issue today. The role of law in this context is to impose criminal sanctions or compensation if a business actor is found guilty, as stipulated in the Consumer Protection Act No. 8 of 1999. Article 45 paragraphs (1) and (2) regulate dispute resolution, stating that aggrieved consumers may file claims against business entities through institutions responsible for resolving disputes between consumers and businesses, either through judicial or non-judicial mechanisms. Article 19 paragraph (1) specifies that business entities are liable for compensation for damage, contamination, or losses suffered by consumers due to the consumption of products, goods, or services that they produce or trade. If business actors fail to comply, sanctions under the Consumer Protection Act No. 8 of 1999 will apply. It states: "Business actors who violate the provisions of Articles 8, 9, 10, 13 paragraph (2), 15, 17 paragraph (1) letters a, b, c, e, paragraph (2), and 18 shall be subject to imprisonment for a maximum of five (5) years or a fine of up to IDR 2,000,000,000 (two billion rupiah)." Furthermore, Article 8 letter (h) of Law No. 8 of 1999 concerning consumer protection specifies that failing to comply with halal production requirements, as indicated by the "halal" label on the product, constitutes a serious violation. This article clarifies that falsifying halal labels is a severe offense and may result in criminal sanctions for business entities that produce products labeled as halal but do not adhere to the relevant halal labeling regulations. Sanctions against business actors who fail to comply take several forms, including written warnings, temporary suspension, product recalls, fines, and even business license revocation. These sanctions aim to address and correct the actions already taken by the business actor. If the business actor continues to violate the regulations, criminal and judicial measures can be applied, which can serve as a deterrent and provide protection for the public.

4. Conclusion

Packaging serves as a container used to store and protect food and beverages. In addition, packaging functions as a means of advertising; therefore, in marketing their products, packaging must include a label written in the Indonesian language. This requirement is regulated under consumer protection law, which obliges business actors to provide information that is complete, truthful, and not misleading to consumers. The use and completeness of labels in the Indonesian language are stipulated in Law No. 8 of 1999 on Consumer Protection, Government Regulation No. 29 of 2021, and Regulation of the Minister of Trade No. 25/M-DAG/PER/1/2021 concerning the Determination of Goods Required to Use or Be Accompanied by Labels in the Indonesian Language. The regulation of packaging labels in Indonesia faces various challenges, and the role of law is therefore crucial, with clear sanctions for business actors who violate these provisions. Labeling regulations already exist in Indonesia, and three factors must be instilled in both business actors and consumers—knowledge, understanding, and legal attitudes and behaviors regarding the listing of ingredients on processed food labels. These factors form the main pillar, making packaging labels considered mandatory in Indonesia.

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