

ABSTRACT

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JURIDICAL REVIEW OF THE USE OF ARTIFICIAL INTELLIGENCE IN ELECTRONIC-KNOW YOUR CUSTOMER (E-KYC) SYSTEM ON PEER-TO-PEER LENDING PLATFORMS IN INDONESIA

(xiv + 113 pages; 7 pictures; 0 figures; 0 tables; 7 appendices)

Law Number 10 of 2022 of the Service Authority Regulation concerning Information Technology-Based Joint Funding Services (POJK No. 10 /2022) does indeed provide certainty, benefits, and obligations in terms of organizing funding activities using a legal peer-to-peer lending platform that has obtained a permit from the Financial Services Authority. However, POJK No. 10/2022 is less able to mitigate the risk of default on the approval party. Peer-to-peer lending activities rely on artificial intelligence technology for the credit scoring system of parties involved in the e-KYC system imposed by the organizers. One of the author's research focuses is the implementation of artificial intelligence in the credit scoring system of the e-KYC process related to funding activities in peer-to-peer lending. E-KYC is a customer recognition process that uses a combination of personal data and biometric data that is integrated with an electronic system. The data is processed using the help of artificial intelligence technology so that it tests a person's eligibility and ability to pay off his loan. Implementation regarding artificial intelligence and e-KYC has not been regulated in terms of POJK No. 10/2022 raises questions regarding the position of artificial intelligence in peer-to-peer lending considering that artificial intelligence technology has been widely used by peer-to-peer lending providers. Matters related to the regulation of the implementation of artificial intelligence are listed in PP No.71/2019 and regulations regarding e-KYC and credit scoring are listed in POJK No.13/2018. The existence of agreements and differences legally concludes that there is a legal agreement in terms of regulation of AI and e-KYC in funding activities in peer-to-peer lending which in accordance with POJK No. 10/2022. Therefore, the author tries to dissect the regulations regarding artificial intelligence and e-KYC in conjunction with the legal basis of P2P Lending to provide legal certainty to minimize the number of people who fail to pay their loans in Indonesia.

References: 116 (1945-2022)

Keywords: Peer-To-Peer Lending, e-KYC, Credit Scoring