

NATIONALIZATION AS A THREAT TO THE ECONOMY MARKET IN VISA AND MASTERCARD BUSINESS IN INDONESIA

Pujiyono

Faculty of Law, Universitas Sebelas Maret, Surakarta, Indonesia
Email: pujifhuns@staff.uns.ac.id

Pambudi Wiyono

Faculty of Law, Universitas Sebelas Maret, Surakarta, Indonesia
Email: Pambudiuns@gmail.com

Reda Manthovani

Attorney General of Indonesia, Jakarta, Indonesia
Email: satryo_solo@yahoo.com

Corresponding author: Pujiyono

Email: pujifhuns@staff.uns.ac.id ORCID: 0000-0002-5971-2446 Scopus ID: 57194243483
Phone Number: +62812 2988 7199

Received: 05.11.2019

Revised: 12.12.2019

Accepted: 01.01.2020

Abstract

The purpose of this paper is to analyze the impact of the Nationalization of Automated Teller Machines (ATM) in Indonesia that is reflected by the National Payment Gate (GPN) logo of the economy market in ATM card business in Indonesia. The research method is normative legal research. The type of research data uses secondary data. The data collection technique use library research. The data analysis technique in this study is deduction data analysis techniques by confirming secondary data with empirical findings. The results show that the National Payment Gateway as a new product is not matched with new governing regulations of the customer's rights. The implementation of GPN is based on PBI No. 19/8 / PBI / 2017, which requires payment industry players to integrate retail payment systems in Indonesia. GPN is a system consisting of Standard, Switching, and Services. The three systems in GPN are built through a set of rules and mechanisms to integrate various payment instruments and channels. The GPN policy shows an improvement in the government's efforts to move the cash transaction system more non-cash. However, various weaknesses need to be corrected in its implementation, so that this policy does not necessarily hamper the performance of the payment industry in Indonesia, and at the same time provide maximum benefits and protection for customers.

Keywords: Nationalization; Automated Teller Machine Card; National Payment Gateway; Indonesia.

© 2019 by Advance Scientific Research. This is an open-access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>)
DOI: <http://dx.doi.org/10.22159/jcr.07.01.28>

Introduction

The payment system is part of the financing and banking system of a country. In the economy, the financial system is one of the essential parts. The financial system is a system formed by institutions that have competencies related to the ins and outs of finance. The development of technology has become very global concerning efficiency and banking capabilities. One of the payment system activities that is currently developing rapidly is the Card-Based Payment Instrument. Financial systems play an important role in allocating scarce resources. "They help channel individual or household savings to the corporate sector and allocate investment funds among companies. When companies make profits, the systems also help some funnel of the returns back to the individual savers (Chuck CY Kwok.2016:227) ATM is an electronic device that allows bank customers to make money and check their savings accounts without needing to be served by human tellers. User interest in a technology that is applied, usually users pay more attention to the shortcomings of the technology. The risk indicator from the use of ATM is a form of action taken by the bank to minimize the risk, which will then have a positive impact on the interest of consumers who have used it or not in terms of using ATM technology. Technological advancement has not only affected the way of living but has affected the way people do their banking (Mwando, 2013) "ATM is an automated teller machine which is a computerized telecommunications device that provides the

customers of a financial institution with access to financial transactions in a public space without the need for a human clerk or bank teller. In ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smartcard with a chip (that contains a unique card number and some security information)." (Kavita Hooda, 2016).

One of the problems faced by the banking sector in the ATM is one of which is related to the interconnection between banks because no standard can unify the different standards used by each bank. Regarding integration, it is also constrained by an agreement about cardholders, if it is desired that electronic money can be integrated with each other, it is necessary to have parties that can be trusted to act as cardholders. The risks from the national interconnection of ATM services will harm not only the customer but also the bank, if the customer feels aggrieved over the problems that occur in the national interconnection of ATM services can cause loss of customer confidence in the bank. If this condition occurs, the bank will suffer losses. The principle of trust is a fundamental principle in the world of banking. "The potential for developing a relational principle of trust and confidence is unifying the contractual, statutory, and tortious elements of the law of employment relationship is examined" (Mathew Boyle, 2007). Good relation between bank and customers must be maintained because the base of

banking business is the principle of trust (Kim and Kliger, 2003).

Indonesian nationalism presents a new breakthrough in the field of banking. Bank Indonesia initiation as the Central Bank has launched the National Payment Gate (GPN) program as a form of nationalization of ATM cards in Indonesia, the National Payment Gate (GPN) is part of the pride of Indonesian nationalism. The definition of GPN itself is explained in the general provisions of Article 1 of Bank Indonesia Regulation number 19/8 / PBI / 2017 concerning the National Payment Gate. The National Payment Gate, in the future abbreviated as GPN, is a system consisting of standards, switching, and services that are built through a set of rules and mechanisms to integrate various payment instruments and channels nationally. GPN is a breakthrough in removing the barriers that have been created through regulations from each bank, where access to banking needs and transactions can only be done at the same bank. Through the GPN, certain bank cardholders can transact through automated teller machines (ATMs) or other electronic data capture (EDC) devices. "Electronic data capture (REDC) is a novel workflow methodology and software solution designed for rapid development and deployment of electronic data capture tools to support clinical and translational research" (Harris and Taylor, 2009). Unifying all the interbank transaction processes will later be a red GPN logo embed on each electronic money card.

The use of GPN logo cards is a breakthrough in order to eliminate fragmentation of retail payment services so that people can access payment system services that are more efficient through interconnection and interoperability. There are three main objectives of GPN implementation, namely first, creating a payment system ecosystem that interconnects each other, interoperability and can carry out transaction processing that includes domestic authorization, clearing, and settlement. Second, to improve consumer protection, among others, by securing customer transaction data in each transaction. Moreover, third, ensure the availability and integrity of the national payment system transaction data to support the effectiveness of the financial system. Besides, the GPN is also presented as a backbone to provide full support for Government programs, including the distribution of non-cash social assistance, toll road electrification and public transportation, inclusive finance, and the development of an electronic-based national trade system.

The launch of the Automated Teller Card bearing the National Payment Gate by Bank Indonesia, which is a substitute for the Mandiri Visa and Mastercard Teller Cards, certainly raises questions in the community about guaranteeing the rights of customers using the GPN Automatic Teller Machine (ATM) Card. Banking customer rights are essential in the launch of a new product from the government because the customer's rights concern the customer's legal protection. The rights received by the customer are fundamental considering that it concerns the interests and security of the customer itself, "so has to describe different levels of security and their complexity based on the services to make the customer understand the security policies that are being implemented" (Kandukuri, 2009). In addition, banking as the organizer also has obligations that must be made to the customers using this interconnected Teller Machine. On the other hand, the author examines more deeply about interconnected Automated Teller Machines in other countries. This needs to be done because the National Payment Gate is a new product in Indonesia. Seeing the future of the GPN competing with Visa and Mastercard, which has been embedded in the Automatic Teller Card in Indonesia, especially regarding Indonesia's readiness to respond to global competition because GPN cannot be used in international networks,

because as is known GPN can only be used inside country, the problem will certainly be a problem in the future.

Based on the description above, the problem that will be examined in this study is whether the use of the Automated Teller Machine bearing the National Payment Gate logo guarantees the rights of the customer as appropriate for the use of an Automated Teller Machine with another logo?

Research Method

The research method that the writer use is normative legal research. The nature of the research used is prescriptive research, which can be seen as problems that will be discussed regarding the Problems of the Automation of Automated Teller Cards in Indonesia. The approach used by the author is a statutory approach (statue approach) and a comparative approach (Marzuki, 2014). The statutory approach is carried out by examining regulations relating to the object of research, confronting, and finding incompatibility with one another. The comparative approach is carried out by comparing cases of nationalization of ATM cards in several countries. One another juxtaposed and disputed. The comparative approach is carried out by comparing cases of nationalization of ATM cards in several countries. The type of research data used is secondary data. The research data collection technique used is library research. The data analysis technique used in this study is deduction data analysis techniques. Secondary data collected was confirmed by various empirical findings; this is part of the validity test of the data.

Result And Discussions

Nationalization of Automated Teller Cards in several countries.

Each country has its legal regulations that underlie the use of ATMs, including in Indonesia. Regulations regarding GPN is Bank Indonesia Regulation Number 19/8 / PBI / 2017 concerning National Payment Gates, a system consisting of standards, switching, and services built a set of rules and mechanisms for integrating various payment instruments and channels nationally. Explained in Article 5 paragraph (3) and paragraph (4) that parties connected to the National Payment Gate consist of commercial banks, sharia commercial banks, and non-bank institutions and banks people's credit and people's financing banks. Some countries in the world already have a kind of National Payment Gate. In terms of terminology, it is not always referred to as the National Payment Gate, but the characteristics of the business model implemented can be used as a reference in the development of GPN in Indonesia. GPN business model for interbank transaction services. "transaction has become a significant technological advancement for changing business practices present. (Ahasanul haqu, 2009)

Korea and Taiwan which already have a wide range of services covering various types of switching services and delivery channels, but some are limited to interbank transaction services via Automated Teller Machines, such as Thailand and Singapore. Besides, there are still countries that have more than one switching provider, such as the current condition of Indonesia, these countries, including the United States, the Philippines, and Malaysia. In Taiwan, there is a Financial Information Services Co. Ltd. (FISC). FISC was established in 1998 to provide a better and more flexible interbank system. Initially, a Task Force Team was formed called the Financial Information System Group (FISG) which has the task of planning, designing, and implementing an interbank information network with national coverage that will integrate all financial institutions in Taiwan to encourage sharing infrastructure and facilities interbank information exchange and improve interbank transaction services. (Bank Indonesia, 2009)

Customer Rights Users of Automated Teller Machine (ATM) Card Usage with GPN Logo

Debit cards using bearing the GPN logo is a breakthrough in order to eliminate the fragmentation of retail payment services so that people can access more efficient payment system services through interconnection and interoperability. One hundred fifteen banks in the country are connected to GPN. GPN implementation is a form of interconnection between the switching and interoperability of the national payment system. Based on BI data, as many as 80% -90% of debit cards in Indonesia have foreign principal logos installed, 90 percent of overseas principals that are installed are Visa and Master card. Until the beginning of 2018, the number of debit cards in circulation in Indonesia had reached 167 million. The number of debit cards increased by 20.84% compared to the same period the previous year (bi.go.id).

Users of the Automated Teller Machine (ATM) Card Usage with National Payment Gateway (GPN) Logo must have the right of the customer. Gives policy recommendations to assist in aiding the consumer to become more adept (through laws and education) at discovering their rights (Agbonifoh, 1986)" Indonesia regulates the rights of ATM users as outlined in 3 laws and regulations. Here are the rights of users of ATMs bearing the GPN logo in Indonesia.

Constitution Number 8 of 1999 concerning Consumer Protection

Regulations regarding the rights received by customers using the ATM with the National Payment Gate logo are not only regulated in Bank Indonesia Regulation Number 16/1 / PBI / 2014 concerning Consumer Protection of Payment System Services and are regulated in the Financial Services Authority Regulation Number: 1 / POJK No. 07/2013 concerning Consumer Protection of the Financial Services Sector but also regulated in Law No. 8 of 1999 concerning Consumer Protection, Law Number 8 of 1999 concerning Consumer Protection is a legal umbrella of all regulations relating to consumer protection (Palilati, 2016). in The law is governed by provisions relating to the rights obtained by customers as banking consumers, among others, explained in chapter 3 concerning First Part Rights and Obligations, Article 4 concerning Consumer Rights, such as :

1. Right to comfort, safety and safety in consuming goods and / or services (Article 4 letter a)
2. The right to choose goods and / or services and obtain goods and / or services in accordance with the exchange rate and conditions and guarantees promised (Article 4 letter b)
3. Right to clear, clear and honest information regarding the condition and guarantee of goods and / or services (Article 4 letter c)
4. The right to be heard opinions and complaints about the goods and / or services used (Article 4 letter d)
5. Right to get advocacy, protection, and efforts to properly resolve consumer protection disputes (Article 4 letter e)
6. Right to receive guidance and consumer education (Article 4 letter f)
7. Right to be treated or served correctly and honestly and not discriminatory (Article 4 letter g)
8. The right to get compensation, compensation and / or reimbursement if the goods and / or services received are not in accordance with the agreement or not as appropriate (Article 4 letter h)
9. Rights stipulated in the provisions of other laws and regulations (Article 4 letter i)

Bank Indonesia Regulation Number 16/1 / PBI / 2014 concerning Consumer Protection of Payment System Services

Article 3 of Bank Indonesia Regulation Number 16/1 / PBI / 2014 concerning Consumer Protection of Payment System Services explains consumer protection for banking

customers who regulate the rights of banking customers in 4 principles, such as:

1. Principles of Justice and Reliability
The principle of fairness and reliability ensures that the organizers treat consumers fairly and are not "discrimination, consequence of the fact that values of solidarity and justice are matters of priority to all welfare states" (Arts, 2001). By ensuring that the providers provide payment system services that are accurate and safe, both from rules, institutions, mechanisms, infrastructure, and instruments as well as from the aspect of payment instruments
2. Transparency Principle
The principle of transparency, which is to ensure the organizers provide information to consumers both verbally and in writing, including information through electronic means clearly and completely, in language that is easy to understand. The basis of justice is a privilege, and the different basis makes justice more on the meaning of equality as a proportion, this is a special matter of justice, namely the equality or proportion applied by the bank to customers
3. Principles of Data Protection and / or Consumer Information
The principle of protection of consumer data and / or information, namely to ensure that the organizer maintains the confidentiality and security of consumer data and / or information, and only uses the data and / or information in accordance with the interests and objectives agreed to by the consumer. Banking is required to provide information on benefits, risks, and consequences for Consumers for the use of Payment System services. The information must be given orally or in writing. "Three meanings of information are distinguished Information as process, information as knowledge and information as thing the attributive use of information to denote things regarded as informative"(Buckland, 1991)organizers must maintain the confidentiality of data and / or information of consumers, providers also have an obligation to have and implement data protection and / or information
4. Principles for handling and dealing with complaints
The principle of effective complaint handling and resolution is to ensure that the organizers have and implement a mechanism for handling and resolving consumer complaints effectively, efficiently, responsively and on time. "Service failures in retail banking tend to have a negative impact on service quality and, consequentially, on customer satisfaction. This heightens the need for effective complaint handling (Siddiqui. 2010: 119). The complaint handling mechanism must be written in a form that includes:
receipt of complaints;
handling and settlement of complaints;
monitoring the handling and resolution of complaints
Otoritas Jasa Keuangan Regulation Number: 1 / POJK.07 / 2013 concerning Financial Services Sector Consumer Protection
Regulated in Article 2 letters (a) to (e) of the Otoritas Jasa Keuangan Number: 1 / POJK.07 / 2013 concerning Consumer Protection of the Financial Services Sector, in this regulation, add five principles, namely:
1) The Right to Get Clear Information or the Principle of Transparency
The principle of transparency is the provision of information about products and or services to consumers clearly, complete with language that is easy to understand
2) Right to Get Fair Treatment or Fair Treatment Principles.

The right to get a fair treatment in the banking sector in this case as the organizers must treat their customers regardless of their background, ethnicity, religion and race

3) The Right to Get Reliable Services or the Principle of Reliability.

Reliability in question is anything that can provide accurate services through reliable systems, procedures, infrastructure, and human resources.

4) The Right to Get Data Security Protection or the Principle of Consumer Information Data Confidentiality and Security.

The confidentiality of consumer data and or information, in this case, is an action that provides protection, protection that safeguards the confidentiality and security of consumer data and or information and only uses it in accordance with the interests and objectives and is approved by consumers unless otherwise stipulated by applicable laws and regulations

5) Right to Submit Complaints If There Are Problems or Principles of Complaint Handling and Consumer Dispute Resolution in a Simple, Fast, and Affordable Cost.

Financial product consumers also have the right to file complaints if there are problems in the transaction process. "Complaint handling," in this case, is the service and / or resolution of complaints.

Bank obligations to customers

Discussing the rights of users of the Automated Teller Card bearing the National Payment Gate must also discuss banking obligations to customers using Automated Teller Machines. Responsibility can be interpreted as carrying out an awareness of its obligations. So that responsibility is human awareness of actions done intentionally or unintentionally. The definition of responsibility can be divided into 3 (three) terms, such as:

a. Accountability

This responsibility is generally related to finance, bookkeeping, and payment. Accountability can also be interpreted as trust. Banking institutions are an institution that is highly dependent on public trust, "Customer satisfaction is fundamental to the marketing concept, which holds satisfying customer needs is key to generating customer loyalty" (Fathollah, 2015). Therefore, without the trust of the community, of course, a bank will not be able to carry out business activities properly, in other words, in order to avoid the occurrence of public trust in the banking world. "The trust is an essential ingredient for those relationships to bear fruit." (Siau, 2004) Legal protection for depositors against the possibility of losses is essential.

b. Responsibility

Responsibility, in this sense, relates to the obligation to correct mistakes that have been made or that have occurred. "The view that the adoption of corporate social responsibility codes of conduct can help diminish the overall business risk of a company, and even improve its long term risk-adjusted performance" (Dufresne, 2004). Responsibility is also related to the obligation to bear everything that is blamed, threatened with punishment and prosecuted by law enforcers in front of the court, accepting burdens caused by their own actions or actions of others.

Liability

This means to bear all the losses incurred as a result of his actions or from the consequences of actions committed by other people but acting for and on behalf of the person concerned. Liability can also be interpreted as an obligation to pay compensation suffered (Martono, 2011)

That service quality and commitment are the strongest predictors of customer loyalty (Rai, 2013) The bank in its business activities has responsibility for the security of funds held by customers at the bank. The bank's responsibility to customers, especially to customers who experience losses due to loss of funds held in the bank in an unnatural manner is regulated in:

a. Bank Indonesia Regulation No. 7/6 / PBI / 2005 dated 20 January 2005 concerning Transparency of Bank Product Information and Use of Customer Personal Data;

b. Bank Indonesia Regulation No.7 / 7 / PBI / 2005 dated January 20, 2005 concerning Settlement of Customer Complaints;

c. Bank Indonesia Regulation No.8 / 5 / PBI / 2006 dated 30 January 2006 concerning Banking Mediation.

The three regulations as mentioned above are a form of realization carried out by Bank Indonesia to adjust banking business activities to the provisions stated in Law Number 8 of 1999 concerning Consumer Protection. The Consumer Protection Law requires equality between banks as business actors and customers as consumers

Article 10 Bank Indonesia Regulation Number, 16/1 / PBI2014 concerning Payment Services Consumer Protection, is explained if a banking customer experiences a loss that is not caused by a customer's fault, the bank is obliged to provide compensation, based on these provisions, the operator referred to as bank is responsible to the customer to compensate for the loss not because of the customer's fault but from the organizer.

Law Number 8 Tahun1999 concerning Consumer Protection also explains more about the obligations of business actors in this case the banking parties, such as:

a) have good intentions in carrying out their business activities

b) provide correct, clear and honest information about the condition and guarantee of goods and / or services and provide an explanation of usage, repair and maintenance

c) treat or serve consumers correctly and honestly and not discriminatively

d) guarantee the quality of goods and / or services produced and / or traded based on the provisions of the applicable quality standards of goods and / or services

e) provide opportunities for consumers to test, and / or try certain goods and / or services and guarantees and / or guarantees for goods made and / or traded

f) provide compensation, compensation and / or replacement if the goods and / or services received or utilized are not in accordance with the agreement

The Impacts GPN Scheme for the Customers and Economy

Through GPN, certain bank debit card holders can make transactions through automated teller machines (ATMs) or electronic data capture (EDC) devices of other banks, with transaction costs being more affordable. Issuance of the GPN logo card targeted at customers who already have a debit card limits the role of GPN in expanding non-cash movements, because it only encourages reiteration and not expansion. GPN policy can reduce the cost of merchant discount rate (MDR) paid by merchants in the aggregate by IDR 830 billion or 47% per year, from around IDR 1.75 trillion to billion. On the other hand, decreasing MDR will reduce fee based income from issuer banks (card issuing banks) and acquirers (banks or other institutions that collaborate with traders) by 77% and 20%, respectively. As a result, the push for issuer banks to innovate on debit card products and bank acquirers to acquire more merchants is threatened to decline (<https://tirto.id>).

In the transaction aspect, the GPN obstructs the optimization of payment system because it urges

interoperability and interconnection needs. The implementation of a cooperation scheme for switching institutions outside of GPN will trigger economic collusion, where domestic switching institutions earn income from switching functions that they do not do.

Cooperation schemes can also reduce the independence and capability of technological innovation from GPN switching institutions because of the existence of international switching providers that are required to transfer technology. The obligation to process domestic transactions exclusively through GPN also limits the role of switching companies outside GPN and distorts competition. Therefore, this limitation is not in line with the government's program to improve the investment climate because it creates uncertainty for foreign investors. It is feared that processing through GPN increases the potential for fraud, hacking, and disruption of GPN because of the limited capacity of domestic switching agencies at present.

In fact, despite using a GPN card, it turns out that fees for interbank transfers and cash withdrawals and balance checks at other banks' ATMs still use old prices, such as when working with foreign switching. One of the banks still applies a GPN card transfer fee of IDR 7,500 per transaction. Likewise, fees for cash withdrawals and balance checks are still charged at around IDR 4,000-IDR 5,000 per transaction. Not only through ATM channels, the Internet and SMS Banking, the GPN program has also actually adjusted the amount of the merchant discount rate (MDR) charged to merchants by the bank for each payment through EDC (<https://finansial.bisnis.com>). In addition, homogeneous off-us tariff schemes for all products and services can also inhibit the expansion of EDC in small merchants and potentially increase the number of merchants receiving non-cash payment transactions.

One of the consumers' rights (Howells & Weatherill, 2017) is to be able to choose if the GPN debit card does not provide benefits, especially for consumers who usually travel abroad, whereas GPN cards cannot be used for transactions abroad. Thus, this GPN eliminates the right to vote from consumers. Customers will continue to maintain an international logo debit card (Visa and MasterCard) because of the need to travel abroad because cards bearing the GPN logo cannot be used for foreign transactions and online transactions. Thus, the total outstanding debit cards will increase from 140 million to 162.5 million cards. In aggregate, there will be inefficient administration costs of IDR 163 billion per month or IDR 1.96 trillion per year because there are around 22.5 million GPN logo cards that are not used or dormant.

Banking Consumers have rights that protected by regulations (Howells & Weatherill, 2017), among others; security, comfort and safety. In terms of data security, GPN's system still doubting. From experience, in the implementation of electronic citizen identity card and prepaid SIM card registration, there are also many problems found in the misuse of personal data for criminal acts. The

Communication and Information Systems Security Research Center (CISSReC) doubts the data security system, because GPN has not involved Indonesian State Cyber and Code Agency, an institution formed by the government to protect information, so companies that are currently responsible for the GPN security system do not have specialize in information security. At the time the parties that have responsibility in the security system at GPN is services, which is actually an all switching company consisting of four companies and four large banks that become consortium. The safety standard used in GPN is the National Standard Indonesia Chip Card Specification (NSICSS) which does not yet have a clear standardization. That is, what is used as a standard, how the data security system, network security systems can not be explained in detail.

Comparing of Automated Teller Cards bearing the National Payment Gate with a Visa and Master Card logo.

The implementation of the payment system continues to grow and experience changes with the advancement of technology. Various types of payment instruments are provided to facilitate customers and improve the efficiency of the payment system. In an effort to improve efficiency in the implementation of retail and micro payment systems, Bank Indonesia developed a National Payment Gate or GPN. The GPN was developed by Bank Indonesia with various objectives, the main objective of the GPN was to increase efficiency in retail payments which by increasing the concept of sharing in infrastructure users among payment systems, especially forming interconnections. "ATM networks are connected to one another and unaffiliated consumers face interconnection fees called surcharges" (Ishii,2004). technically among all payment system providers, the existence of the GPN is expected to create national efficiency in the implementation of payment systems in Indonesia. Prior to the presence of GPN, Indonesia had used the Belogo Visa and MasterCard ATM cards.

Visa and MasterCard in Indonesia An ATM card that first entered Indonesia occurred around 1980, was introduced by Bank Duta, which at that time formed a partnership with VISA and International MasterCard. The banking sector in Indonesia has long used the smart card technology embedded in the ATM card. "MasterCard was the leading card in 1973, VISA has now taken a commanding lead. Among the holders of both cards. The average annual use of cards has also been increased, with single card holders increasing their use of their cards more than holders of both bankcards " (Hawes, 1987). almost all card issuing banks in Indonesia collaborate with these merchant providers so that there are no significant obstacles experienced to make a non-cash system payment anywhere. This caused almost all ATM cards in Indonesia to be affiliated with Visa and MasterCard. Of course, with the presence of the GPN it is worth considering the GPN comparison which will replace the popularity of Visa and MasterCard in Indonesia.

No	Criteria	GPN	Visa and MasterCard
1	Regulation	Bank Indonesia regulation Number 19/8/PBI/2017 about the National Payment Gateway	In Indonesia it is not regulated in detail about Visa and Master Card
2	Transaction Area	Domestic	Domestic and overseas
3	ATM transactions	Can be used on ATMs bearing with the GPN logo	Can be used at ATMs of all banks that have a Visa or MasterCard logo
4	Switching Organizer	Artajasa, Rintis, Alto, Jalin	Visa owned by Visa Incorporation and MasterCard is owned by MasterCard Incorporation
5	Security system	National Standard Indonesian Chip Card Specification (NSICCS)	Visa uses One Time Password (OTP), and MasterCard uses Secure Code
6	publisher	Indonesia	Visa at Foster City California, meanwhile MasterCard is in New York Purchase
7	Publication year	2017	1980
8	Merchant Discount Rate (MDR) at EDC between Banks	0%-1%	2%-3%
9	Merchant Discount Rate (MDR) at EDC at similar banks	0,15%	0%
10	Card type	Debit	Debit and credit

Table 1. Comparison of Automated Teller Cards bearing the National Payment Gate with a Visa and Master Card logo.

Another difference is reflected in the transaction process using an GPN logo with an ATM with a Visa and Master Card logo which will be explained in the following transaction scheme:

The scheme of transactions through ATMs bearing the GPN logo

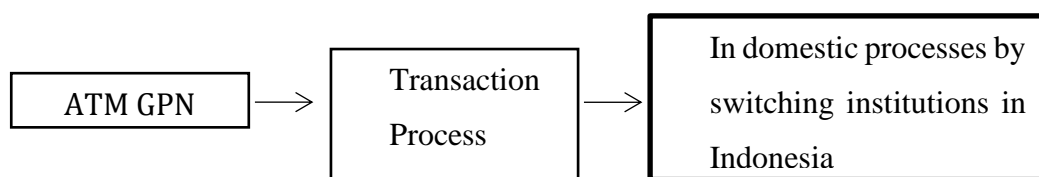


Figure 1. The scheme of transactions through ATMs bearing the GPN logo

In this scheme, processing transactions carried out domestically through switching institutions in Indonesia, switching institutions regulate the implementation of payment transaction processing. The GPN Operator as stipulated in the Bank Indonesia Regulation Number 19/8/2017 concerning the National Payment Gate consisting of standard institutions, switching institutions and servicers. The GPN organizers work together and work together in carrying out their functions and duties in a mechanism to realize domestic interconnection, further explained in Article 12 paragraph (2) that the switching institution must fulfill the following requirements:

- 1) Has obtained permission as a switching organizer in accordance with Bank Indonesia regulations governing the processing of payment transactions
- 2) Has carried out payment transaction processing domestically by using infrastructure owned by Indonesia
- 3) Fulfilling a small share ownership of 80% (eighty percent) of its shares owned by Indonesian citizens and / or Indonesian legal entities
- 4) Able and have the capacity to carry out the switching function.

Transaction schemes through ATMs bearing Visa and Master Card logo

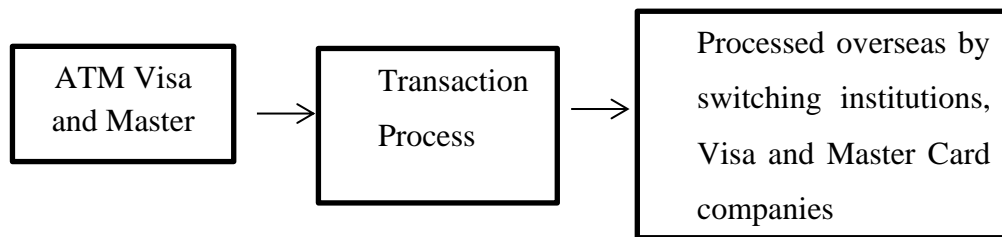


Figure 2. Transaction scheme through ATM with Visa and Master Card logo

In this scheme transaction processing is carried out abroad through Visa and Master Card switching agencies, overseas processing is done because Visa and Master Card companies are overseas companies, Visa is in Foster City California, while MasterCard is in New York Purchase. As the world's largest financial service provider, Visa and Master Card are able to dominate the market, this is indicated by the printing of the Visa and MasterCard logos in almost all countries including Indonesia. Not without reason, the existence of Visa and Master Card allows customers to transact at any merchant both domestically and abroad.

The ease and practicality of using a Visa and Master Card logo is not free, there is a financial effect that must be paid, namely transaction fees, every transaction using a machine from another bank, the customer will be charged 2 (two) to 3 (three) percent of the the total value of the transaction depends on the policies of each bank, while the state is burdened with the cost of renting the transaction process that must be carried out abroad

Conclusion

At first glance, this GPN looks so cute, it contains aspects of nationalism that were built. GPN offers many conveniences as well as efficiency in transaction administration costs in banking. The use of an ATM card bearing the GPN logo guarantees the rights of its customers, even though Bank Indonesia Regulation Number 19/8 / PBI / 2017 concerning the National Payment Gate does not regulate the rights of customers in Indonesia, but in this case the rights are guaranteed Law Number 8 of 1999 concerning Consumer Protection and regulated in Bank Indonesia Regulation Number 16/1 / PBI / 2014 concerning Consumer Protection of Payment System Services and regulated in Financial Services Authority Regulation Number 1 / POJK.07 / 2013 concerning Service Sector Consumer Protection Finance. So it can be said that ATMs bearing the GPN logo still use the rights stipulated in the previous legislation. On the other hand, the GPN cannot compete with Visa and Mastercard, because in this case the GPN can only be used domestically and Bank Indonesia only issues GPN debit products.

Bank Indonesia should be more active in carrying out its duties and authority to oversee the implementation of ATMs bearing the GPN logo which will apply as a domestic transaction card in Indonesia. Bank Indonesia regulations on GPN must be reviewed again because GPN as a new product in the banking world should be balanced with the rights of its customers, besides that Bank Indonesia should also cooperate with other institutions to optimize ATMs bearing the GPN logo. Should review of the obligation to process all domestic transactions through GPN. The application of GPN will bring various positive impacts to the payment system in Indonesia, but it is not yet optimal in terms of efficiency, consumer protection, competition, and is not in line with international practice. Bank Indonesia should make cooperating with State Cyber and Code Agency in terms of making the standard of operational and Procedures and GPN system security audits as soon as. Organizers must ensure the security, availability, and integrity of national payment system transaction data to

support the effectiveness of monetary policy transmission, intermediation efficiency, and financial system resilience.

REFERENCES

1. Ahasanul Haqu, Ahmad Zaki Hj Ismail and Abu Hayat Daraz. 2009. "Issues of E Banking Transaction". *Journal of applied sciences* 9 (10): 1870-1879. Malaysia: International Islamic University
2. Agbonifoh, B. A., & Edoreh, P. E. 1986. "Consumer awareness and complaining behaviour". *European Journal of Marketing*, 20(7), 43-49.
3. Arts, W., & Gelissen, J. 2001. "Welfare states, solidarity and justice principles: does the type really matter". *Acta Sociologica*, 44(4), 283-299.
4. Bank of Indonesia, 2009, *National Payment Gateway (NPG) Development Study for Inter-Operator Electronic Transaction Retail Transactions*, Jakarta: Bank of Indonesia.
5. Boutin-Dufresne, F., & Savaria, P. 2004. "Corporate social responsibility and financial risk". *The Journal of investing*, 13(1), 57-66.
6. Buckland, M. K. 1991. "Information as thing". *Journal of the American Society for information science*, 42(5), 351-360.
7. Chuck CY Kwok and Solomon Tadesse Moore. 2006. "National culture and financial systems". *Journal of International Business Studies* volume 37, 227-247. School of Business, University of South Carolina, Columbia, South Carolina, USA.
8. Gazali, Djoni S dan Rachmadi Usman, 2010, *Banking Law, Jakarta* : Sinar Grafika
9. Harris, P. A., Taylor, R., Thielke, R., Payne, J., Gonzalez, N., & Conde, J. G. 2009. "Research electronic data capture (REDCap)—a metadata-driven methodology and workflow process for providing translational research informatics support". *Journal of biomedical informatics*, 42(2), 377-381.
10. Hawes, D. K. 1987. "Profiling visa and MasterCard holders: An overview of changes-1973 to 1984, and some thoughts for future research." *Journal of the Academy of Marketing Science*, 15(1), 62-69.
11. Howells, G., & Weatherill, S. (2017). *Consumer protection law*. Routledge.
12. <https://www.bi.go.id/id/ruang-media/info-terbaru/Pages/Bank-Indonesia-Dorong-Masyarakat-Menggunakan-Kartu-Berlogo-GPN.aspx>
13. <https://finansial.bisnis.com/read/20180917/90/838971/gpn-datang-beban-nasabah-tak-berkurang>
14. <https://tirto.id/penjelasan-bi-soal-biaya-transaksi-mdr-antar-bank-015-1-persen-cBmJ>
15. Ishii, J. 2004. "Interconnection pricing and compatibility in network industries: ATM networks in the banking industry". *working paper*, Stanford University.
16. Kandukuri, B. R., & Rakshit, A. 2009. "Cloud security issues. In 2009" *IEEE International Conference on Services Computing* (pp. 517-520). IEEE

17. Kavita Hooda. 2016. "ATM Security" *International Journal of Scientific and Research Publications, Volume 6, Issue 4*, ISSN 2250-3153
18. Kim, M., Kliger, D., & Vale, B. 2003. "Estimating switching costs: the case of banking". *Journal of Financial Intermediation*, 12(1), 25-56.
19. Peter Mahmud Marzuki. 2014. *Legal Research*, Jakarta : Kencana Prenada Media Group
20. Mathew Boyle. 2007. "The Relational Principle of Trust and Confidence" *Oxford Journal of Legal Studies, Volume 27, Issue 4*, Pages 633-657
21. Mwando, S. 2013."Contribution of agency banking on financial performance of commercial banks in Kenya". *Journal of Economics and Sustainable Development*, 4(20), 26-34.
22. Rai, A. K., & Medha, S. 2013. "The antecedents of customer loyalty: An empirical investigation in life insurance context". *Journal of Competitiveness*, 5(2), 139-163.
23. Rati Maryani Palilati, 2016, "Protection of banking consumer law by the financial services authority", *Journal IUS Vol IV Nomor 3*, Mataram: University of Mataram
24. Seyed Fathollah Amiri Aghdaie, Raziieh Karimi1 & Ali Abasaltian. 2015. "The Evaluation of Effect Electronic Banking in Customer Satisfaction and Loyalty". *International Journal of Marketing Studies; Vol. 7, No. 2*. Iran: University of Isfahan.
25. Siau, K., & Shen, Z. 2003. "Building customer trust in mobile commerce". *Communications of the ACM*, 46(4), 91-94.
26. Siddiqui, M. H., & Tripathi, S. N. 2010. "An analytical study of complaining attitudes: with reference to the banking sector". *Journal of Targeting, Measurement and Analysis for Marketing*, 18(2), 119-137