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Trading Robot Sales as Investment Fraud Under Indonesian Law

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Abstract

General Background: Financial technology development has expanded digital investment innovation while also creating opportunities for technology-based economic crime. **Specific Background:** Trading robots, which ideally function as algorithm-based automated trading systems, can be misused to collect public funds through misleading claims, irrational fixed-return promises, and opaque fund management. **Knowledge Gap:** The manuscript identifies the need for legal analysis on how robot-based selling practices are qualified under Indonesian positive law, judicial reasoning, and investment fraud elements. **Aims:** This study aimed to analyze trading robot sales as a form of investment fraud through normative legal research using statutory, case, and conceptual approaches. **Results:** The analyzed case shows that the practice did not qualify as a legitimate investment instrument but functioned as a structured fraud mechanism involving information manipulation, abuse of trust, and public fund collection without a clear legal basis. The practice fulfilled fraud elements under Article 378 of the Criminal Code and was connected to money laundering under Law Number 8 of 2010. Judicial considerations used a substantive approach to assess technology-based crime, although consumer protection reasoning still required stronger integration. **Novelty:** This study connects trading robot misuse with fraud, money laundering, white collar crime, and consumer protection within one Indonesian legal analysis. **Implications:** The findings support adaptive legal reform, stronger supervision, specific digital investment regulation, early warning mechanisms, and improved public financial literacy.

Highlights:

- The practice lacked legal legitimacy and transparent business basis.
- Judicial reasoning addressed formal violations and substantive harm.
- Regulatory gaps, weak oversight, and low literacy enabled recurrence potential.

Keywords : Investment Fraud, Money Laundering, Consumer Protection, Fintech

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Introduction

The development of information and communication technology has brought about significant transformations in the economic sector, particularly in the areas of investment and digital commerce. One rapidly developing innovation is the use of trading robots, or algorithm-based automated trading systems, which are claimed to be capable of executing transactions quickly, systematically, and with minimal human intervention. Ideally, trading robots are part of *financial progress technology* (*fintech*) that can increase market efficiency and expand public access to modern investment instruments [1].

However, in practice it does not run smoothly or well, this development is also accompanied by the misuse of technology as a means to commit economic crimes, especially in the form of investment fraud (*fraud*). Trading robots often used as a cover to attract public funds with the promise of fixed *profits irrational returns that are not commensurate with the risks inherent in investment instruments*. This phenomenon indicates a shift in the *modus operandi* of crime from conventional to technology-based (*cyber-enabled crime. financial crime*), which is more complex and difficult to detect [2].

From a legal perspective, the practice of selling trading robots without a legal basis and transparency has the potential to violate various provisions of Indonesian laws and regulations. These include violations of trade business licensing provisions as stipulated in Law Number 7 of 2014 concerning Trade, as well as the potential fulfillment of elements of the crime of fraud as stipulated in Article 378 of the Criminal Code (KUHP). Furthermore, if funds obtained from the public are managed or diverted to disguise their origin, then such actions can also be classified as money laundering as stipulated in Law Number 8 of 2010 [3].

This problem is concretely reflected in Supreme Court Decision Number 5522 K/ Pid.Sus /2024, which tried the practice of selling trading robots that involved the widespread collection of public funds without legal permission. In this case, the defendant was charged with conducting trading business activities without a permit and participating in the crime of money laundering derived from the proceeds of crime. The trial evidence showed the use of various trading accounts in the names of other parties and a specific marketing scheme that indicates the existence of an organized system for collecting public funds [4].

This case is important to study because it demonstrates that trading robots not only function as technological tools but can also be instruments for committing structured economic crimes. Furthermore, this case also reveals gaps in oversight and low levels of public financial literacy, which are contributing factors to the rise of illegal investments. In this context, legal entities are required to adapt to technological developments to provide effective protection for the public and ensure legal certainty [5].

Theoretically, investment fraud through trading robots can be analyzed using an *actus approach. reus* (unlawful act) and *mens rea* (malicious intent), where the perpetrator actively offers misleading investment products with the aim of obtaining illegitimate profits. On the other hand, this practice is also related to the concept of *white collarcrime*, namely crimes committed by exploiting expertise, technology and public trust [6].

Based on this description, this study focuses on a legal analysis of the practice of selling trading robots as a form of investment fraud, in the case study of Supreme Court Decision Number 5522 K/ Pid.Sus /2024. The research problem formulation is as follows:

- (1) how is the legal construction of robot trading practices from the perspective of Indonesian positive law;
- (2) how the judge considers qualifying the act as a criminal act; and
- (3) whether the practice fulfills the elements of investment fraud.

This research aims to provide a comprehensive analysis of the phenomenon of illegal trading robots and contribute to legal development, particularly in addressing technology-based crimes in the digital financial sector.

Method

This research is a normative legal study focused on analyzing the legal norms governing the practice of selling trading robots in relation to alleged investment fraud. This normative legal study was chosen because the primary object of study lies in the legal rules, principles, and doctrines that have developed within Indonesia's positive legal system. In this approach, law is understood as a prescriptive system of norms, so the analysis is directed at assessing the conformity between the legal events that occurred and the provisions of applicable laws and regulations [7].

The approach used in this research consists of several complementary approaches. First, the statute approach (*approach*), namely by examining various regulations relevant to the research problem. These regulations include the Criminal Code (KUHP), specifically Articles 372 and 378 which regulate embezzlement and fraud, Law Number 7 of 2014 concerning Trade which regulates business licensing obligations, and Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering which regulates the act of disguising the proceeds of crime [8]. This approach is important for identifying legal norms that form the basis for qualifying robot trading practices as unlawful acts.

Second, the case approach (*caseThe approach*) was conducted through an in-depth analysis of Supreme Court Decision

Number 5522 K/ Pid.Sus /2024 as the main object of the research. This approach aims to understand how judges in the decision construct legal facts, assess evidence, and formulate legal considerations (*ratiodecidenti*) in issuing a verdict. In this case, the defendant was charged with various criminal provisions, including violations in the field of trade and money laundering, which demonstrates the complexity of the legal issues arising from robot trading practices . Thus, the case approach provides a concrete illustration of the application of legal norms in judicial practice.

Third, the conceptual approach (*conceptual*) approach) is used to analyze legal concepts related to this research, such as the concept of fraud ,illegal investment, and white collar crime . *collar crime*). The concept of fraud in criminal law is not only limited to the act of providing false information, but also includes all forms of trickery aimed at benefiting oneself or others unlawfully [9]. Meanwhile, the concept of *white collar crime* is relevant to explain the characteristics of crimes committed by exploiting expertise, technology, and public trust, as seen in the practice of illegal robot trading [10].

The legal materials used in this study consist of three types: primary, secondary, and tertiary legal materials. Primary legal materials include laws and court decisions that have binding legal force, specifically Supreme Court Decision Number 5522 K/ Pid.Sus /2024 as the main source of analysis [11]. Secondary legal materials consist of legal literature, scientific journals, and expert opinions that provide explanations and interpretations of the primary legal materials. Tertiary legal materials are used as a complement to provide an understanding of the legal terms used in this study.

The technique for collecting legal materials is carried out through library studies (*research*), namely by collecting and reviewing various legal sources relevant to the research topic. Next, the collected legal materials are analyzed using qualitative methods with a descriptive-analytical approach. Descriptive analysis is conducted to systematically describe the legal facts contained in the decision, while analytical analysis is conducted to examine and interpret these facts within the framework of applicable legal norms.

Therefore, in drawing conclusions, this study uses a deductive method, namely by drawing conclusions from general legal provisions into the concrete case being analyzed. This method is used to assess whether the practice of selling trading robots in Supreme Court Decision Number 5522 K/ Pid.Sus /2024 has fulfilled the elements of a criminal act as stipulated in the legislation. Therefore, this study is expected to contribute not only theoretically but also in law enforcement practice, particularly in addressing the increasingly complex development of crimes in the digital investment sector [12].

Results and Discussion

A. Legal Qualifications of Trading Robots from an Indonesian Legal Perspective

In the discourse on the development of digital economic law in Indonesia, trading robots occupy an ambiguous position, as they lie at the intersection of technological innovation and potential abuse. Conceptually, a trading robot is algorithm-based software designed to automatically execute transactions in financial markets, such as forex , stocks, or cryptocurrencies . In legitimate practice, the use of trading robots is not prohibited as long as they comply with licensing requirements and do not contain elements of deception. However, legal issues arise when trading robots are traded as investment products, promising certain returns without a legally justifiable basis.

From the perspective of Indonesian positive law, the qualifications for trading robots are not explicitly regulated as a stand-alone legal entity. Therefore, the approach used is to link the practice to existing legal regimes, such as trade law, criminal law, and money laundering laws. In this context, trading robots sold to the public can be classified as part of a trading business activity, thus subject to the provisions of Law Number 7 of 2014 concerning Trade, specifically regarding business licensing requirements and the prohibition of misleading business practices.

Furthermore, if a trading robot is marketed using unrealistic claims, such as promising fixed profits without risk, it potentially constitutes fraud as stipulated in Article 378 of the Criminal Code. The main elements of this article include deception, a series of lies, and the intention to unlawfully benefit oneself or others. In illegal trading robot practices , these elements are often met through misleading marketing strategies, the use of fictitious testimonials, and the manipulation of trading performance data to create a perception of success.

Legal qualifications become increasingly complex in the practice of trading robots , which involve the collection of public funds on a large scale. In this context, trading robots are no longer viewed simply as technological products, but rather as instruments in illegal investment schemes with characteristics similar to Ponzi schemes . These schemes are characterized by the use of funds from new investors to pay out profits to existing investors, thus creating the illusion of sustained profitability [13]. In this context, the law examines not only the formal form of the product offered, but also the substance of its operational mechanisms.

In addition, if the funds obtained from this practice are diverted or disguised through various financial transactions, then this act can be qualified as a money laundering crime as regulated in Law Number 8 of 2010. This crime does not stand alone, but is a follow- up *crime. crime*) from predicate crimes, such as fraud or illegal trade [14]. In this sense, trading robots in this context become part of a broader crime chain, which includes the stages of fundraising, management, and disguising the proceeds of crime.

In Supreme Court Decision Number 5522 K/ Pid.Sus /2024, the legal qualifications for robot trading practices were affirmed through a multi- faceted approach. The Court not only observed violations of business licensing provisions but also identified

elements of systematic fraud and money laundering. The fact that the defendant was involved in managing several trading accounts and collecting public funds indicates a planned organizational structure in carrying out these activities [15]. This strengthens the argument that the robot trading practices in this case cannot be viewed solely as administrative violations, but rather as organized economic crimes.

Critically, the absence of specific regulations regarding trading robots in the Indonesian legal system indicates a legal vacuum *that could* potentially be exploited by criminals. Existing regulations are still sectoral and unable to accommodate the complexity of the technology used in digital investment practices. As a result, law enforcement tends to be reactive, only taking place after significant harm has occurred to the public [16]. This situation demands more adaptive legal reform, both through the creation of specific regulations and through strengthening the interpretation of existing norms.

Meanwhile, the legal approach to trading robots must also consider the balance between public protection and support for technological innovation. Not all use of trading robots is illegal, so overgeneralizations can actually hinder the development of fintech in Indonesia. Therefore, a clear classification of legal and illegal trading robots is needed, with measurable indicators such as system transparency, regulatory compliance, and the absence of misleading elements in marketing.

Trading robots from an Indonesian legal perspective must be comprehensive, considering various aspects, from business legality to marketing methods to fund management mechanisms. This approach is crucial to ensure that the law not only addresses violations but also provides certainty and protection for the public amidst the rapid development of financial technology.

B. Legal Fact Analysis in the Decision

An analysis of the legal facts in Supreme Court Decision No. 5522 K/ Pid.Sus /2024 demonstrates that this case is not merely an administrative violation, but reflects an organized and systematic criminal structure. The facts revealed during the trial indicate careful planning in the implementation of the trading robot sales practice, from promotion and fundraising to managing and distributing funds to investors.

One important fact that formed the basis of the judge's consideration was the defendant's active involvement in managing the trading accounts and activities related to the operation of the trading robot. The defendant did not merely act as a passive party, but rather held a strategic position in running the system. This was evident in the existence of various trading accounts used as a means to collect public funds, which in practice often used the identities of other parties.[17] The use of these multiple accounts demonstrates an attempt to create the illusion of massive and convincing trading activity, even though the substance of these activities did not fully reflect real transactions in the financial markets.

Not stopping there, legal facts also indicate a pattern of collecting large amounts of public funds through a specific mechanism resembling a collective investment system. In this system, investors are promised relatively stable returns without a transparent explanation of the potential risks. This pattern is often empirically found in illegal investment practices, where perpetrators exploit public ignorance to continuously attract funds. In the context of this case, the promise of irrational returns is a strong indicator of deliberate misdirection.

Furthermore, a network structure was discovered supporting the trading robot's operations, including the use of a specific marketing system that allowed for broader reach. This fact suggests that the practices were not sporadic, but rather designed as an organized system. The existence of this network also strengthens the suspicion that the practice has characteristics of a Ponzi scheme, where the system's sustainability is highly dependent on the influx of funds from new investors.

From a fund management perspective, legal evidence indicates that funds collected from the public were not fully used for legitimate trading activities. Some funds were diverted to other purposes unrelated to investment activities, resulting in losses for investors. This situation indicates irregularities in fund management, which should be conducted transparently and accountably. From a legal perspective, this action can be categorized as a form of abuse of trust (*of trust*), which is one of the main characteristics of the crime of fraud.

Furthermore, the facts revealed in the trial also strongly indicate money laundering practices. Funds obtained from public collections were diverted through various financial transactions to disguise their origins. This process was carried out by exploiting a complex financial system, making it difficult to trace the flow of funds. In this context, trading robots function not only as a tool for withdrawing funds but also as a means to disguise the proceeds of crime, thus strengthening *the multi-layered nature of the crime*.

When analyzed critically, the legal facts in this decision show an imbalance in information (*information asymmetry*) between the perpetrator and the victim. The perpetrator has full control over the system and information provided to investors, while investors rely solely on the information provided without the ability to verify its accuracy. This situation is exploited by the perpetrator to build false trust, which is ultimately used to commit fraud. Furthermore, the fact that this practice can persist for a certain period of time without being effectively detected indicates weaknesses in the oversight system. Although there are institutions authorized to oversee investment and trade activities, the facts on the ground show that this oversight is not yet capable of covering all illegal practices that are prevalent in society. This is an important note in the context of law enforcement, namely that prevention must be a priority alongside enforcement.

Based on the above context, the legal analysis of the facts in Supreme Court Decision No. 5522 K/ Pid.Sus /2024 shows that

the robot trading practice in this case has characteristics of organized crime, involving various elements, ranging from information manipulation and abuse of trust to illegal fund management. The complexity of these facts emphasizes that the legal approach used cannot be simplistic but must be able to capture the full dimensions of the crime.

C. Analysis of Judge's Considerations (Ratio Decidendi)

Judge's considerations (*ratio*) The Supreme Court Decision No. 5522 K/ Pid.Sus/ 2024 reflects an effort to construct a decision based not only on the fulfillment of the formal elements of a crime but also on the substantial aspects of the defendant's actions. In this case, the Supreme Court did not merely assess the formal legality of robot trading activities but also delved deeper into the substance of the actions and their impact on the wider community.

One of the main aspects in the judge's consideration is the assessment of the elements of error (*mensrea*) and act (*actus*) .*reus*) committed by the defendant. The judge found that the defendant was consciously and actively involved in the public fundraising activity through a trading robot mechanism that lacked a clear legal basis. This deliberate action was reflected in the defendant's role in operating the system, including account management and fund distribution, so it cannot be categorized as mere negligence, but rather as an act carried out with full will and knowledge.

Furthermore, the judge also emphasized the element of deception in the practice. In this case, the defendant offered a trading robot product with promises of profits disproportionate to the actual risks, and without adequate transparency. This pattern was deemed to fulfill the elements of fraud as stipulated in Article 378 of the Criminal Code, which involves a series of lies used to convince victims to hand over their funds. This consideration demonstrates that the judge focused not only on normative aspects but also considered the empirical reality of the relationship between the perpetrator and the victim.

Furthermore, in the context of the crime of money laundering, the judge considered the existence of non-transparent fund flows and efforts to disguise the origin of these funds. In this decision, the defendant was deemed to have committed actions that fulfill the elements in Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering, specifically related to the act of transferring, diverting, or using assets known or reasonably suspected to originate from criminal acts. Therefore, the criminal liability imposed on the defendant is not only limited to the predicate crime, but also includes further crimes.

Upon closer examination, the judge's considerations also reflect a concern for the social impact of the defendant's actions. In this case, the large number of victims and significant losses were factors that aggravated the sentence imposed. The judge considered that the defendant's actions had damaged public trust in the investment system and had the potential to disrupt economic stability. Therefore, the sentence imposed was not only intended to provide a deterrent effect for the defendant but also to protect the wider community. However, upon critical analysis, several aspects of the judge's considerations in this case should be noted. First, although the judge qualified the defendant's actions as fraud and money laundering, the argument regarding the link between the two crimes has not been fully elaborated. The relationship between the predicate crime and money laundering is crucial for building a comprehensive legal framework.

Second, the judge's considerations did not explicitly examine the consumer protection dimension, particularly regarding the rights of victims as investors. In this context, there should have been an analysis of the victim's position and the forms of legal protection available, both through criminal and civil mechanisms. The absence of this analysis indicates that the approach used still tends to be offender - *oriented* and does not fully accommodate the interests of the *victim* .

Third, from a progressive legal perspective, this ruling has the potential to become an important jurisprudence for handling similar cases in the future. However, to achieve this, more exploratory legal considerations are needed, particularly in linking technological developments to existing legal norms. Without adequate elaboration, this ruling risks being understood narrowly as an individual case, rather than as representative of a broader phenomenon.

On the other hand, overall, *the ratio* *The decision's decision* can be seen as reflecting the judge's attempt to adopt a more substantive approach to assessing technology-based crimes. The judge did not become bogged down in mere legal formalities but sought to understand the *modus operandi* used and its impact on society. This approach aligns with the needs of law enforcement in the digital era, where crimes are no longer conventional and often involve multiple interrelated dimensions.

In summary, it can be concluded that the judges' considerations in Supreme Court Decision No. 5522 K/ Pid.Sus /2024 reflect a relatively comprehensive approach in qualifying robot trading practices as a criminal offense. However, there is still room for more in-depth legal argumentation, particularly in linking various relevant legal aspects and providing more optimal protection for victims.

D. Trading Robots as a Mode of Investment Fraud

The development of financial technology (*financial Technology*) has created various innovations in investment systems, one of which is the use of trading robots . However, in practice, this innovation is often misused as a means to commit investment fraud with increasingly complex and difficult-to-identify patterns. Trading robots in an illegal context no longer function as transaction aids, but rather as manipulative instruments to establish false legitimacy for investment schemes that fundamentally lack a rational economic basis.

Conceptually, robot trading -based investment fraud exploits information asymmetry (*information asymmetry*) perpetrator and investors. The perpetrator has full control over the system, algorithm, and performance data displayed to investors, while investors only receive information that has been constructed in such a way. This condition creates a high dependency on information, so that investors have no ability to verify it independently [18]. In many cases, including those reflected in Supreme Court Decision Number 5522 K/ Pid.Sus /2024, the information conveyed to investors is partial and tends to be misleading. Furthermore, illegal trading robots are often combined with aggressive and persuasive marketing strategies, such as the use of testimonials, claims of consistent profits, and narratives of unverifiable success. From a criminal law perspective, this strategy fulfills the elements of deception and a series of lies as stipulated in Article 378 of the Criminal Code. In fact, in some cases, perpetrators deliberately create dashboard displays or manipulated transaction reports to make it appear as if profitable trading activity is occurring, when in fact this is not the case.

Another prominent characteristic of this practice is its resemblance to a digital Ponzi scheme , where profits given to existing investors are derived from the funds of new investors. This pattern is reinforced by the existence of a referral system or membership bonuses that encourage investors to recruit new members. From this perspective, trading robots merely serve as a "legitimizing tool" to mask the underlying exploitative mechanism . Recent studies have shown that many opaque algorithm-based investment platforms have a tendency to operate as disguised Ponzi schemes, particularly in developing countries with relatively low levels of financial literacy [19].

In Supreme Court Decision No. 5522 K/ Pid.Sus /2024, this pattern is evident in the massive collection of public funds and the use of multiple accounts to create the illusion of active trading activity . The fact that investor funds are not managed transparently and are partially used for other purposes indicates that these activities lack *an underlying basis* .clear *transaction* . *This is a strong indicator that the trading robot in this case was part of a structured investment fraud scheme.* From a criminological perspective, this practice can be categorized as a form of *white-collar fraud*. *collar A crime* that exploits public trust and technological complexity to commit crimes. Sutherland states that white-collar crime has the main characteristic of abusing position and trust in a legitimate system [20]. In the context of robot trading , perpetrators utilize a professional image and advanced technology to build trust, which is then used as a tool to exploit victims.

Recent empirical studies also show that technology-based investment fraud has tended to increase significantly in recent years. Research by Chen and Zhang (2022) revealed that the use of algorithms and *artificial intelligence intelligence* in illegal investment platforms is often only "*cosmetic technology* ", namely technology that is displayed to increase credibility without having a substantive function [21]. In addition, research by Lewis (2023) highlights that digital investment fraud is becoming increasingly difficult to detect because perpetrators are able to create digital ecosystems that appear legitimate , including the use of convincing websites , applications and reporting systems [22].

phenomenon highlights the serious challenges in qualifying and prosecuting technology-based fraudulent practices. Existing regulations often lag behind developments in criminal *modus operandi* . In this regard, although various regulations governing trade and investment exist, there are no specific provisions regarding trading robots as an investment instrument. This results in a fragmented legal approach, relying on various provisions scattered across several laws. Critically, this situation demonstrates that law enforcement against illegal robot trading practices still faces several obstacles, including limited evidence, a lack of understanding of technology among law enforcement officials, and low public literacy . Therefore, a more comprehensive approach is needed, not only through criminal law enforcement but also through strengthened regulations, increased financial literacy , and more effective oversight of digital investment platforms. Consequently, robot trading in this context cannot be viewed solely as a technological innovation, but rather as a new form of investment fraud that exploits regulatory loopholes and weaknesses in the oversight system. The complexity of this method demands an adaptive and progressive legal response to provide optimal protection for the public and maintain the integrity of the financial system.

E. Legal Implications and Consumer Protection

trading robots as a form of investment fraud not only carries criminal consequences for the perpetrators but also carries broad legal implications, particularly in the context of consumer protection. In the Indonesian legal system, consumer protection is regulated by Law Number 8 of 1999 concerning Consumer Protection (UUPK), which affirms that every consumer has the right to receive correct, clear, and honest information regarding the conditions and guarantees of the goods and/or services offered. In illegal robot trading practices , this right is clearly violated through the provision of misleading, manipulative, and non-transparent information.

One of the most fundamental legal implications is the violation of the principles of transparency and *disclosure* in investment activities. In modern financial literature, transparency is a key element in preventing fraud , especially in complex technology-based systems. Recent research shows that low levels of transparency in fintech platforms directly correlate with an increased risk of investment fraud [23]. In the case of trading robots, perpetrators intentionally conceal important information regarding the system's working mechanisms, investment risks, and the use of investor funds, thus creating conditions that are systemically detrimental to consumers .

does not stop there ; it also has implications in the form of legal liability for business actors .From a consumer protection law perspective, business actors are responsible for losses experienced by consumers due to the use of the products or services offered [24]. However, in the context of illegal trading robots , enforcing this responsibility becomes complex because perpetrators often use non-transparent organizational structures, including the use of intermediaries, nominee accounts , and entities without clear legal status. This condition indicates a systematic effort to avoid legal accountability.

From a criminal and civil law perspective, victims of robot trading fraud essentially have two avenues of protection: criminal law enforcement mechanisms and civil lawsuits (compensation). However, in practice, victims' recovery from losses is often suboptimal because the perpetrator's assets have been diverted or disguised through money laundering mechanisms. This indicates that available legal protection remains repressive and is not fully capable of providing effective redress for victims. More broadly, this phenomenon also reveals weaknesses in Indonesia's fintech regulatory and oversight system. Despite the existence of institutions such as the Financial Services Authority (OJK) and Bappebti (Commodity Futures Trading Regulatory Agency), illegal robot trading practices can still thrive and reach communities across regions. This demonstrates that existing regulatory approaches are not yet fully adaptive to developments in digital technology. A study by Arner, Barberis, and Buckley (2020) confirms that fintech regulations in various countries often lag behind technological innovation, creating regulatory gaps that criminals exploit [25].

Furthermore, consumer protection in the case of trading robots is also closely related to the public's level of financial literacy. The public's lack of understanding of investment risks and the workings of financial technology is a factor that increases the likelihood of fraud. Research by Lusardi (2019) shows that individuals with low levels of financial literacy are more vulnerable to becoming victims of illegal investments [26]. In the Indonesian context, this situation is exacerbated by the proliferation of investment promotions through social media that are not accompanied by adequate education.

Critically, it can be said that the current consumer protection approach is still partial and has not been optimally integrated with technological developments. Legal protection still focuses on the aspect of enforcement after a violation occurs (*ex post*), while the prevention aspect (*ex ante*) has not received adequate attention. In the context of technology-based crime, prevention is the key to minimizing societal losses. From a legal policy perspective, strategic steps are needed to strengthen consumer protection, including the establishment of specific regulations regarding trading robots, increasing transparency standards for digital investment platforms, and strengthening coordination between supervisory agencies. Furthermore, Button (2017) emphasized the need to develop an *early warning mechanism*. *warning system* to detect potential illegal investments early [27].

Therefore, the legal implications of illegal robot trading practices are not limited to criminal sanctions against perpetrators, but also encompass the need to develop a more comprehensive and adaptive consumer protection system. Without reforms in regulation, oversight, and education, similar practices have the potential to recur and cause greater harm to society.

Conclusion

Based on the analysis of trading robot sales practices in Supreme Court Decision Number 5522 K/ Pid.Sus /2024, it can be concluded that the trading robots in the *a quo* case cannot be qualified as a legitimate investment instrument, but rather as a means used to commit systematic investment fraud. Normatively, this practice violates various provisions of positive law in Indonesia, both in the trade law regime, criminal law, and laws related to money laundering. The absence of valid permits, accompanied by the use of misleading marketing schemes, indicates that these activities lack legal legitimacy and contradict the basic principles of transparent and accountable business activities.

Furthermore, the robot trading practices in this case were proven to fulfill the elements of fraud as stipulated in Article 378 of the Criminal Code, which is characterized by deception, a series of lies, and the intention to unlawfully benefit oneself or another party. Furthermore, the management and diversion of the proceeds of crime by the perpetrators also fulfill the elements of money laundering, thus demonstrating that this crime has the characteristics of a multi-layered crime. From this perspective, trading robots in this context do not stand as mere technological innovation, but rather as part of the construction of modern organized economic crime.

From the judge's perspective, the analyzed decisions demonstrate an effort to apply a legal approach that is not only formal but also substantive, taking into account the social impact of the defendant's actions. Nevertheless, there is still room for strengthening the legal argumentation, particularly in more explicitly linking the predicate offense and money laundering, as well as in integrating a consumer protection perspective into the legal considerations. This is crucial so that the decisions serve not only as resolutions for individual cases but also as references for handling similar cases in the future.

The broader implications of this practice highlight weaknesses in Indonesia's regulatory and oversight system for technology-based investments. Existing regulations are not fully able to accommodate the dynamic development of financial technology, creating loopholes that criminals can exploit. Furthermore, low levels of financial literacy also increase the risk of investment fraud. Therefore, a more comprehensive approach is needed, not only through firm law enforcement but also through strengthened regulations, increased oversight, and public education.

In this regard, this study confirms that the practice of selling trading robots, as stipulated in Supreme Court Decision No. 5522 K/ Pid.Sus /2024, constitutes a form of investment fraud that exploits technology as a means of false legitimacy. To prevent a recurrence of similar cases, legal reforms that adapt to technological developments are needed, as well as synergy between law enforcement officials, regulators, and the public to create a safe, transparent, and equitable investment ecosystem.

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