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LEGAL CAPACITY IN BUSINESS AGREEMENTS: A CIVIL LAW PERSPECTIVE ON INDONESIAN COMMERCIAL PRACTICES

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Abstract

This study aims to analyze the inconsistencies between legal capacity regulation based on Indonesian civil law and its application in contemporary commercial practices, especially in digital transactions. Legal capacity is a fundamental requirement for the validity of contractual agreements based on Indonesian civil law. However, its implementation in contemporary business transactions, especially in the digital commercial environment, remains inconsistent and legally problematic. Previous studies have mainly focused on normative interpretations of legal capacity without adequately examining the gap between legal doctrine and practical enforcement in modern business transactions. This study uses a statutory approach that relies on the Indonesian Civil Code, regulations related to electronic transactions, and scientific legal literature as primary sources of analysis. These findings suggest that disputes regarding the validity of contracts often arise due to the absence of effective verification mechanisms regarding the legal capacity of contracting parties, especially those involving minors, individuals under guardianship, and unverified digital users. Further studies reveal that low legal literacy among business actors, reactive enforcement mechanisms, and inadequate regulations in addressing digital business developments significantly contribute to the persistence of legal uncertainty in commercial contracts.

In digital platforms, users can generally enter into agreements without substantive verification of legal competence. This research contributes to the discourse on civil law reform and digital contract governance by emphasizing the urgent need for adaptive legal mechanisms that are able to respond to contemporary business developments.

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Introduction

If traditional contract law focuses on formal freedom to contract, then modern contract law must be able to shift towards a more substantive approach, which considers legal capacity as a key element in achieving contractual justice and economic efficiency. In this context, the capability approach developed by Amartya Sen (Sen, 2005) and Simon Deakin (Deakin, 2006) sees acting prowess not just as a formal legal status, but as an individual's tangible ability to achieve the goals they value (Claassen, 2014). This includes access to resources, opportunities, and freedoms (Pereira, 2013), which will ultimately achieve economic efficiency and social justice, especially for vulnerable groups (Osben, 2026).

Indonesia still continues to rely on the 19th-century Civil Code, inherited from Dutch colonial law, to regulate complex modern corporate transactions and digital ecosystems, even though the House of Representatives has given priority to legal reform through the Civil Code Draft, which is included in the Priority National Legislation. This dependency has raised concerns about the adequacy of legal frameworks in addressing contemporary challenges. For example, some articles on guardianship in the Civil Code have been criticized for relying on a substitute decision-making framework, which often violates the principles of the UN Convention on the Rights of Persons with Disabilities. These frameworks tend to deprive people of the legal capacity of psychosocial disabilities, often granting guardianship without adequate evidence or considering individual autonomy (Mulia et al., 2024).

Some previous studies have stated that Article 433 of the Civil Code, which uses terms such as stupid, insane, dark eye, requires that individuals with these conditions "must" be placed under guardianship. The Constitutional Court of Indonesia, through Decision Number 93/PUU-XX/2022, which is in line with international human rights standards, such as the UN Convention on the Rights of Persons with Disabilities (CRPD). However, there are still questions about whether the changes adequately balance the autonomy of individuals with disabilities and the need for legal protections (H. Nugroho et al., 2025). Article 1330 of the Civil Code regulates the legal capacity of individuals to enter into agreements, in which minors, individuals under guardianship, and those who are declared legally incapable cannot make binding agreements. In addition, there are cases where women in certain contexts may require their husband's consent to take legal action, reflecting structural limitations on their legal capacity (Turisno et al., 2025). Indonesia is transitioning towards a supportive decision-making framework for persons with disabilities, which aims to empower individuals with mental disabilities to exercise their legal capacity independently, moving away from traditional substitute decision-making models that often violate civil rights (Puspitasari & Sanjaya, 2026). The guardianship system in Indonesia still relies on outdated criteria and inadequate evidence in court decisions, which undermines the autonomy of people with psychosocial disabilities

(PPD). Practical barriers, such as the lack of sign language interpreters, hinder the ability of deaf individuals to participate fully in legal proceedings (Kumala & Sudantra, 2023). Women with disabilities face double discrimination due to patriarchal norms and social barriers. Despite legal frameworks such as Law No. 8 of 2016 and international conventions, their participation in social, political, and economic life remains limited (Maftuhin, 2024). Indonesia has made progress in recognizing the rights of persons with disabilities through laws such as Law No. 8 of 2016 and the establishment of the National Commission on Disability. However, the commission's ties to the Ministry of Social Affairs raise concerns about its independence and effectiveness (Malik et al., 2021).

This study aims to analyze the inconsistencies between legal capacity regulation based on Indonesian civil law and its application in contemporary commercial practices, especially in digital transactions. Specifically, this study examines how these outdated status-based legal capacity rules perpetuate commercial exclusion and drive up transaction costs in modern business contracts.

Research Method

This study is based on the normative legal method, which is an approach that focuses analytical attention on legal norms, principles, and doctrines as reflected in existing legislation and legal literature. As noted by Marzuki (Marzuki, 2017), this method is most appropriate when a study aims to examine the internal coherence of legal rules while also tracing their application within a specific legal system. Hutchinson and Duncan further support this choice by demonstrating that the interpretation of legal rules and the assessment of their consistency are indeed the primary focus of normative legal research (Hutchinson & Duncan, 2012). Three approaches were employed simultaneously in this study. The statutory approach examines the relevant provisions of the Civil Code, particularly those governing the validity requirements of contracts and the legal capacity of the parties. Soekanto and Mamudji provide the basis for including regulations in the fields of business law and electronic transactions to ensure that the normative foundation established is sufficiently comprehensive (Soekanto & Mamudji, 2015). Sallim serves as the basis for the conceptual approach, which reviews the doctrines, theories, and expert views regarding legal capacity and the validity of contracts (Salim, 2017). McKendrick supports the analytical approach used to assess the extent to which applicable legal norms align with actual practices in business contracts. All data used is secondary data, which is divided into three categories (McKendrick, 2020). The first category consists of primary legal data in the form of legislation including the Civil Code and laws related to contracts and business transactions. The second category includes secondary legal data namely scholarly articles from reputable national and internationl journals published over the past ten years.

Results and discussions

Legal Regulation of Legal Capacity in Indonesian Civil Law

Legal capacity is not simply a complementary requirement of a contract; in Indonesian civil law, it determines whether a contract is legally binding or not. Nugroho (2020) explains that a person is considered legally competent if they have reached the age of majority, are not under guardianship, and possess sufficient mental capacity. In another explanation, Subekti (n.d.) emphasizes that those outside certain conditions, they are minors and individuals placed under guardianship cannot independently perform certain legal acts.

Legal capacity functions as a doctrinal safeguard. This means that legal capacity ensures contractual obligations arise from an agreement that is genuine and fully understood by all parties. In his study, Salim (2017) directly links this to the principle of consensualism, which requires that an agreement be made voluntarily and without coercion from any party. Additionally, Perzanowski & Schultz (2016) also add to this explanation by indicating that without this capacity, the legitimacy of the agreement is called into question and the contract becomes vulnerable to annulment. This relates to a doctrinal position that reflects civil law's commitment to equality in legal relationships.

Conflicts over contract validity often arise not because the rules are absent, but because the legal status of the parties involved was never thoroughly examined from the outset. From this data, this study identified a recurring pattern: a normative framework that is doctrinally well-established does not necessarily result in consistent enforcement in actual business transactions. The legal provisions regarding capacity are actually quite clear. The gap lies between the text and practice. The root of the problem lies not in the incompleteness of the rules but in the gap between what the law mandates and what actually happens on the ground when two parties sit down to agree on a contract.

The fast-paced nature of business makes these inconsistencies increasingly difficult to ignore. When efficiency becomes the top priority, compliance with legal requirements is often the first thing to be sacrificed. In the informal sector and on digital platforms, verification of legal capacity is not only cut short, but it is often not performed at all. Parties sign agreements and transactions proceed as if all legal requirements have been met, even though no one actually verifies them. Rahman (2022) points out that the increasing reliance on electronic contracts and automated transaction systems exacerbates this situation. These systems are built for speed and scalability, not for legal verification. User identities can be faked, ages can be manipulated, and legal standing is never confirmed. As a result, agreements that appear legitimate on the surface harbor hidden vulnerabilities: they can be challenged at any time on the grounds of incompetence of the parties involved, and when that happens, there is no reliable default mechanism.

The widespread use of standard contracts further aggravates this problem, essentially prioritizing uniformity and operational efficiency over an individual assessment of the parties involved. In these arrangements, businesses routinely assume that all contracting parties possess the necessary legal capacity, without taking steps to verify this in any meaningful way. There is a danger in the unquestioned assumption that everyone who signs a contract knows exactly what they are agreeing to. The reality is not always so, because when one party lacks the legal capacity to understand the contents of the agreements, a signature on paper is nothing more than a formality that gradually erodes the true meaning of consent. A contract may pass all formal validity tests yet remain unfair to the party who does not truly understand what they are committing to. Existing laws regulate the procedures but do not necessarily address the substance, and from that point, a more honest question needs to be asked: Is the current legal protection framework truly designed for those who are most vulnerable in a contract, or is it merely to ensure that all boxes have been properly checked (Chen, 2019)?

The low level of legal literacy among small and medium-sized enterprises, compounded by weak regulatory oversight, allows practices that fail to meet legal standards to persist unchallenged. Pratama (2021) observes that disputes resulting from legal incompetence are more often resolved after conflicts erupt than prevented from the outset of contract drafting. The law is present but always arrives too late, and that delay comes at a cost. Business actors suffer losses that could actually be avoided; business relationships that have been built can collapse simply because legal terms were never reviewed from the outset, and trust in the contract system as a whole is slowly eroded. Thus, legal capacity follows a doctrinal matter and directly impacts the resilience and sustainability of business agreements in real-life practice in Indonesia.

The digital economy in Indonesia is growing at a rapid pace and transforming the way people conduct business. Transactions that were once frequently conducted face-to-face have now largely shifted to electronic contracts, online marketplaces, and platforms serving users from various regions. This shift expands access and increases efficiency, but it also moves many critical processes, such as negotiation, verification, and fulfillment of obligations, into a virtual space where traditional forms of authentication are not always available (Radbruch, n.d.).

One of the most difficult challenges in digital transactions is ensuring that all parties involved truly meet the legal capacity requirements without a physical meeting that can serve as a point of verification. What is currently available consists mostly of ID card photos, email addresses, or phone numbers, which are easy to fabricate and offer absolutely no guarantee that the user is the person they claim to be. Rahman (2022) observes that many e-commerce platforms lack mechanisms capable of distinguishing adult users from minors, let alone detecting limitations in a person's legal understanding, a factor of oversight but a systemic weakness, as individuals lacking legal capacity can enter into agreements that are procedurally valid yet substantively fragile. From this gap found that a question cannot be answered simply by updating the terms and conditions of the service. It requires policy responses and technological innovations that are genuinely designed for this issue and not merely adapted from the framework created long before digital transactions existed.

Standard contracts commonly used in commercial transactions add a whole new dimension to the problem. These documents are typically drafted unilaterally by businesses and presented to consumers without any opportunity for negotiation. Chen (2019) demonstrates that this pattern structurally places the weaker party in a tight spot: accept the existing terms or forgo the transaction entirely, even though they often do not fully understand the legal consequences. This situation becomes even more complex in the digital environment, where information is presented rapidly, and interactions are brief, and consumers often click "agree" without reading all the clauses or understanding the limits of liability and potential penalties. Legal capacity becomes a crucial differentiator and not only a matter of who signs, but whether the consent stems from a genuine understanding or simply the absence of alternatives, and from a policy perspective. This demands attention to contract design, consumer protection mechanisms, and verification methods that can ensure truly informed consent.

Empirical evidence from business disputes in Indonesia shows that the issue of legal capacity is beyond a theoretical debate. In a study by Pratama (2021) was reported that contracts involving minors often become a source of dispute when a claim for rescission is filed on the grounds of legal incapacity. Similar findings were presented by Putri & Santoso (2021), who highlight business actors' lack of understanding regarding legal requirements on capacity. Consequently, the agreements entered into are vulnerable to cancellation, as also noted by Salim (2017). Shortly, this issue works both ways, they are party that is legally incompetent and another party that fails to verify legal capacity before signing the contract.

Beyond these practical difficulties, the regulatory framework governing digital transactions in Indonesia has yet to fully evolve in response to the complexities that online environments present for verifying legal capacity. While existing legislation acknowledges the legal validity of electronic contracts, it offers limited concrete guidance on the mechanisms through which parties to such agreements might be assessed for the requisite legal competence. As noted by Wibowo (Wibowo, 2024), the absence of standardized verification systems across digital platforms produces a regulatory gap in which contractual relationships take shape without adequate protections for individuals who may be legally incapable. This gap raises substantive questions about the dependability of digital transactions and the capacity of existing legal provisions to genuinely uphold the principle of legal certainty (Ranchordás, 2020).

The increasing integration of technology into business activities brings complexities that existing laws have not yet fully anticipated. Automated systems and artificial intelligence are now used in contract formation, but both are designed to pursue efficiency and scale rather than to assess the legal standing of the parties using them. Rahman (2022) explains that this trend is gradually shifting the legal framework from substantive requirements to procedural formalities that are not thoroughly scrutinized. In high-volume digital transactions, this risk is magnified. The more agreements are created without adequate oversight, the greater the chance that invalid contracts will slip through unnoticed and the resulting disputes will only emerge later (Sari & Wibowo, n.d.).

A further dimension of the problem lies in the limited legal literacy prevalent among consumers and small business actors, which sustains the conditions in which these issues continue to arise. A significant proportion of parties enter into agreements without awareness of their rights and obligations under civil law, including an understanding of how legal capacity bears on the validity of those agreements. Putri & Santoso (2021) found that this lack of knowledge most often leads to passive acceptance of contract terms even when the clauses within them should be sufficient to make them pause and ask questions (Sjahdeini, 2021). Schwab (2017) points out that the burden of this gap is not borne equally, as those with the least access to legal knowledge are also the least protected as minors and individuals whose understanding of the law remains very limited.

When considered in their entirety, these findings illustrate that the issue of legal capacity in modern business contracts is not a single problem that can be resolved with a single policy. It operates on multiple levels simultaneously, ranging from doctrinal and regulatory weaknesses to technological gaps and deep-rooted socioeconomic inequalities. Addressing these challenges requires more than simply amending existing provisions or adding new rules. In addressing such issues, it is considered necessary to update certain provisions. Regulatory reform, technological innovation, and legal education must move in the same direction and at the same time. Without such coordination, legal capacity risks becoming a principle that exists only in theory but holds little practical significance in Indonesia's ever-evolving commercial landscape.

The Gap Between Legal Doctrine and Commercial Practice

This study found that the gap between legal frameworks and real-world practice is not just a matter of technical shortcomings but rather a recurring pattern without a definitive resolution. Civil law has defined the requirements for legal capacity quite clearly, but this clarity does not automatically ensure that enforcement proceeds as intended in day-to-day business transactions. Twigg-Flesner (2020) identifies three factors at work behind this gap. They are the parties' still-low legal awareness, the enforcement mechanisms that are not strong enough, and the pace of change in business practices that is too rapid for the existing legal framework to keep up with.

The low level of legal understanding among business operators has been identified as the primary factor that has long been left unaddressed. Legal requirements governing the validity of contracts, including the obligation to confirm the legal capacity of all parties involved, are unfamiliar to many individuals and small business operators, as noted by Sari & Wibowo (n.d.). To sum up, agreements are often drafted and agreed upon without any verification of the legal capacity of the parties involved (A. Nugroho, 2020). The way the legal system responds to violations of legal capacity requirements is a second factor that is no less decisive. Instead of being prevented at the contract formation stage through structured verification and active regulatory oversight, disputes are more often addressed only after a conflict has actually arisen (Pratama, 2021). This pattern has dual consequences, such as legal certainty being gradually eroded, and conflicts that could have been better prevented are allowed to escalate into disputes that are far more complex and costly to resolve. The evolution of business practices within the digital economy ecosystem has far outpaced the ability of existing legal frameworks to keep up. Conventional civil law provisions were not designed for situations like this because, at the time those rules were established, informal platform-based transactions were not yet a reality that needed to be anticipated. Sari & Wibowo (n.d.) observe that the proliferation of such transaction models demands a more flexible legal approach, as the legal relationships arising from contemporary business practices continue to take on new forms never envisioned by the current legal framework.

These three factors do not operate in isolation, but rather reinforce one another and collectively create conditions in which the legal system fails to function as it should in actual business practice. Low legal awareness allows violations to occur unnoticed, such as a reactive enforcement mechanism allow those violations to continue without meaningful consequences, and a legal framework unable to keep pace with change allows new gaps to remain open. As long as these three factors are not addressed simultaneously, any effort to strengthen legal certainty in business transactions in Indonesia will continue to face the same limitations.

Legal Implications and the Role of Citizenship in Business Agreements

Citizenship status determines the extent to which a person can participate in legal relationships, making it inseparable from the issue of legal capacity. Widjaja (n.d.) notes that Indonesian law directly links access to certain economic rights to citizenship status, particularly in the areas of investment and property ownership. Two individuals who are equally legally competent may face vastly different scopes of action simply because of their differing citizenship statuses. Legal capacity cannot be understood in terms of an individual's personal circumstances alone, as their legal position within a broader institutional framework also determines the extent to which that capacity can actually be exercised.

Access to economic opportunities and legal protection is not distributed evenly, and the link between legal capacity and citizenship is one of the reasons for this. Citizens who lack sufficient legal literacy face obstacles in certain business activities, while foreign nationals face different restrictions because Indonesian regulations treat these two groups differently. Zainuddin (2016) states that an understanding of legal capacity based exclusively on individual competence is inadequate to address this complexity, as the institutional context in which a person operates equally determines the extent to which that competence can be exercised in specific practices or activities.

Legal certainty does not happen automatically when an agreement is signed. McKendrick (2020) reminds us that it is a foundation that must be actively built. Without it, predictability and stability in commercial relationships are impossible. The requirement is not overly ambitious; it means all parties involved in a business agreement need to fully understand what they are agreeing to and the following legal consequences. The system, which fails at the most basic level, is the problem encountered. The legal capacity of the parties is left unchecked, and the fractures this causes are not always immediately apparent. It works slowly beneath the surface until one day a conflict happens, and only then does everyone realize the foundation was never solid from the beginning. The disputes and economic inefficiencies that must subsequently be borne are not actually inevitable but rather the consequence of negligence that occurred long before the ink dried on the contract.

The reality on the ground often differs significantly from what is written in the law, and this is not merely a matter of technical shortcomings. The problem runs deeper, involving a legal system that lacks a robust mechanism to ensure these rules are actually enforced. In reality, no party actively monitors whether a contract is drawn up by someone who is truly legally competent. That responsibility is simply left to the parties involved, even though many of them are unfamiliar with the law and have limited access to professional assistance. Nugroho (2020) refers to this condition as a 'compliance vacuum', where legal rules are indeed written down but do not truly come to life in daily practice. Most regrettably, as Pratama (2021) points out, the contract law is not actually intended merely to resolve conflicts that have already erupted. It is designed to prevent such conflicts from arising in the first place.

When this preventive function fails, the law loses something far more important than mere authority.

The weakness of law enforcement in Indonesia is directly linked to more fundamental issues within the legal infrastructure itself. Legal validity is rarely examined at the outset of a process, but is only questioned once a dispute has escalated significantly and become difficult to resolve through simple means. There is no early intervention, no ongoing regulatory oversight. Systemic inefficiency, according to Pratama (2021), stems from such reactive patterns. As ever-increasing litigation costs and never-ending dispute resolution processes, which become almost inevitable consequences. Such issues are complicated by the fact that judges' interpretations of questions regarding legal incapacity are not always consistent. These differing interpretations create significant uncertainty, particularly in cases involving minor parties or those whose legal capacity is in dispute.

The business world is changing faster than the law can keep up, and this is beginning to create problems that cannot simply be ignored. The platform economy, freelance work, and cross-border digital transactions are all giving rise to forms of legal relationships that do not easily fit into the existing categories of conventional civil law. Sari & Wibowo (n.d.) argue that these developments demand a more flexible legal framework, one capable of absorbing technological changes without abandoning the foundational principles that have long served as its bedrock. Without such adjustments, the gap between the written law and the law that actually applies in practice will continue to widen, and at a certain point, this gap may become too wide to bridge.

Legal capacity and citizenship are often treated as two separate matters, even though they are more closely intertwined than is commonly recognized. A person's citizenship status determines not only what economic rights are available to them, but also the extent to which the law is willing to protect them. A study from Widjaja (n.d.) notes that Indonesian law subjects foreign nationals to specific restrictions in areas including land ownership and investment, limitations that indirectly bear on their ability to participate in certain categories of business agreements. They extend to their ability to enter into certain types of business agreements. For this reason, analyzing legal capacity in isolation from the context of citizenship and economic policy is an approach that will never be sufficient. The tree operates within a single system, and understanding one without the others will only yield a fragmented picture.

Equality before the law is one of the most frequently cited principles, yet also one of the least frequently upheld. Civil law does aim to provide equal protection to all legal subjects, yet who is protected and how effectively that protection functions is not always consistent. McKendrick (2020) emphasises that legal certainty cannot be measured by predictability alone, but also by the extent to which legal processes are fair and accessible to all parties. In addition, minors, people unfamiliar with the legal system, and foreign nationals are groups that often face obstacles that are never truly anticipated by the existing legal system. Ultimately, when these obstacles are left unaddressed, questions arise regarding the extent to which the law can still be trusted.

One of the most urgent areas for intervention is legal literacy. Many business actors enter into agreements without truly understanding what makes an agreement valid or invalid. It is not because they do not care, but understanding has never been seriously taught or disseminated. Putri & Santoso (2021) demonstrate that when parties have a better grasp of the requirements for legal validity, they naturally become more diligent in taking the necessary steps to confirm their agreements are truly binding and applicable. Targeted legal education and relevant professional training are not solely supplementary programs but integral components of the legal infrastructure itself.

The current regulatory framework also needs to be substantially adapted to address the challenges posed by digital commerce. Rahman (2022) highlights two of the most pressing needs: the need for reliable identity verification mechanisms and legal capacity for parties engaging in online transactions, and the need for more comprehensive and operational guidelines governing the use of electronic contracts. Without these two elements, the gap between digital business practices and available legal protections will continue to grow.

Normative changes are part of the existing problem. Effective regulation requires broader engagement. This means that the government needs to establish standards that can be implemented in practice, not merely enacted into law. Digital platforms need to stop treating legal verification as a peripheral matter and start integrating it into their system design from the outset. The legal profession and the business community need to be involved not as objects of regulation, but as partners in shaping it. McKendrick (2020) reminds us that the effectiveness of contract law is not determined solely by how well it is written, but by how effectively it can be enforced amidst socio-economic conditions that are constantly changing. The law cannot transcend its own text is no longer law in the true sense.

Legal literacy is meaningful and not viewed in isolation from two increasingly pressing issues, such as consumer protection and digital governance, because it has too often been treated only as an administrative prerequisite, whereas when someone enters into a contract without truly understanding what they are agreeing to, or when a stronger party exploits the other party's lack of knowledge. Legal literacy is the first line of defense that should come into play. Civil law was designed from the outset to maintain a balance between individual freedom and the need for protection. Legal literacy is one of the most concrete instruments for achieving that balance. The instrument will be of little use if the regulations underpinning it do not also improve. In Indonesia, the challenges are multi-layered, as uneven legal literacy, oversight that remains reactive, and digital transactions that are evolving far faster than the legal framework can keep up with. Under such conditions, an adaptive and integrated regulatory model is not just a good option to consider but something that should have been in place long ago.

Conclusion

Legal capacity in business contracts is one of the most fundamental requirements under Indonesian civil law, yet it is often overlooked in practice. This study seeks to answer a question that is actually quite simple: Are the rules regarding legal capacity in business agreements in Indonesia truly being applied as they should be? Related to the analysis conducted, the answer is not fully affirmative, and the gap between what is stipulated in the law and what actually occurs in practice is wider than is often assumed. From a theoretical perspective, this study validates existing doctrine and takes it a step further. Recently, legal capacity has been understood as a formal requirement which fixed and easily verifiable, whereas in reality it is not that simple. When technology changes, institutional structures shift, and the socio-economic conditions of society do not stand still, all of these directly influence the understanding of legal capacity and its application in real business contexts. Interestingly, this argument is not limited to the civil law tradition, as Islamic legal thought also recognizes the doctrine of *ahliyyah*, which essentially affirms the same principle, as legal capacity is a requirement that cannot be overlooked in any valid legal act. The intersection of these two legal traditions actually reinforces the conclusion that legal capacity is not a technical matter, but touches upon issues of justice and responsibility in contractual relationships. The findings of this study ultimately point out to the same issues, which are low legal awareness, non-adaptive regulations, and half-hearted enforcement. These three factors have long made it difficult to achieve business agreements that are both legally valid and fair.

This study takes a different stance by bringing together classical civil law doctrine with the real challenges arising from digital commerce and the socio-legal dimensions of citizenship, so that legal capacity can be viewed not as the endpoint of a definition, but as a living concept that must continually adapt. Even so, there are limitations that must be acknowledged as the methods used are normative-juridical and rely on secondary data. Given these limitations, future research actually has ample room to explore and directly examine how legal capacity requirements are applied in practice through empirical and socio-legal approaches. This is informative, particularly in the e-commerce sector and among small businesses, which have long been underrepresented in academic studies. Cross-jurisdictional comparisons are also worth exploring, as the experiences of other jurisdictions can offer insights into regulatory models that may be relevant for Indonesia.

Declaration of AI and AI-Assisted Technologies

During the preparation of this work, the author(s) used GeminiAI to tidy up data and Grammarly to improve English grammar, check sentence fluency, and assist with reference formatting. After using this tool/service, the author(s) reviewed and edited the content as needed and take full responsibility for the integrity, accuracy, and originality of the publication's final version.

CRediT Authorship Contribution Statement

a. Muhammad Taufiqurrahman: Conceptualization, Formal Analysis, Writing – Original Draft, Methodology, and Writing – Review & Editing.
b. Vivi Sylvia Purborini: Supervision, , Translation, and Resources.
c. Satria Kamal Akhmad: Validation and Project Administration
d. Elok Faiqotul Himmah: Writing – Review & Editing, and Resources.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data Availability Statement

Data supporting the findings of this study are available upon reasonable request from the corresponding author at taufiqrahman@stitradenwijaya.ac.id.

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The authors confirm that this study adheres to ethical research standards.

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