

## COMPENSATION LIABILITY FOR CONSUMERS OF BEAUTY PRODUCTS THAT DISTRIBUTION LICENSES HAVE BEEN WITHDRAWN BY BPOM PERSPECTIVE COMPILATION OF SHARIA ECONOMIC LAW

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**Abstract:** Cosmetics are defined as particular components designed to be applied to the surface of the human body. Cosmetics are beauty products women use to beautify or change their appearance. It is usually used to beautify the outside of the human body to get an attractive appearance. Even though they are not a basic need, cosmetics are one of the many products used daily and routinely, especially by women. This study aims to find out the form of accountability for compensation related to beauty products whose distribution permits have been withdrawn but whose products are still found circulating in the community and how that will be done according to the views of the Sharia Economic Law Compilation (KHES) and Law No. 8 of 1999 concerning Consumer Protection. This study uses a juridical-normative research method in which legal and statutory theory is the approach. The theory used in this study is the theory of legal protection, namely providing protection for human rights that are harmed by other people. The results of this study explain that legal protection and liability for compensation to consumers, especially for beauty products whose distribution permits have been withdrawn by BPOM, are regulated in KHES and in UUPK Article 4 letter a, which explains the rights of consumers to obtain safety, security and comfort when using goods/services. And business actors are responsible if consumers suffer losses in the future for refunds and provide compensation according to the provisions of Article 19 paragraph (2) for consumers who are harmed to receive compensation for their health.

Keywords: cosmetics, marketing authorization, compensation liability

## A. Introduction

The term "cosmetics" comes from the Greek words "kosmetikos" and "kosmos", denoting "skill in decorating and dressing". From the beginning, cosmetics were defined as specialized components or preparations designed to be applied to the surface of the human body<sup>1</sup>. Broadly speaking, cosmetics are beauty products used by women to

<sup>&</sup>lt;sup>1</sup> Novel Dominika dan Hasyim, "Perlindungan Hukum Terhadap Konsumen Atas Penjualan Kosmetik Berbahaya Di Indonesia", *Jurnal Niagawan*, Vol. *8*, No. 1 (2019) : 1-11

beautify or change their appearance. It is usually used to beautify the outside of the human body in order to get an attractive appearance.

In this modern era, almost all women have cosmetics to support their appearance both in career and other social life. Cosmetics circulation itself, at this time in the market, have various types and brands. Although not a basic need, cosmetics are one of the many products that are used daily and regularly, especially by women. Therefore, currently, many entrepreneurs are competing in making beauty products because of its large market demand.

According to the first paragraph of Article 106 of Law Number 36 Year 2009 on Health, "pharmaceutical preparations and medical devices", "pharmaceutical preparations and medical devices" can only be circulated after obtaining a distribution permit first. The rampant sale and development of cosmetics that do not have a distribution permit is one example of the lack of accuracy and thoroughness in the examination carried out by BPOM on cosmetic goods circulating in the community. It is one example of the lack of caution and thoroughness in inspection. It is just one example of many that illustrates the widespread nature of this problem. More details can be seen in Article 1 Point 4 of Law Number 36 Year 2009, which contains the definition that "pharmaceutical preparations are pharmaceutical preparations, medicinal materials, traditional medicines, and cosmetics". 1

It is also caused by the rapid development of information related to beauty that can be accessed freely and triggered by the number of beauty content creators that influence the rapid development of the cosmetics industry at this time. Because of that, it triggers beauty product manufacturers to do fraud practices in producing their products that are not following the recommendations and regulations of the Food and Drug Supervisory Agency (BPOM)3

Cosmetics are produced and formulated from various types of active ingredients and chemicals. It is not infrequently found cosmetics contain harmful ingredients for humans that are widely circulated in the market. If used repeatedly for a long time, it will negatively impact the user's body 4. Not long ago, many harmful chemicals were applied to beauty products and did not have distribution approval. The content contained in these

<sup>&</sup>lt;sup>2</sup> Sangga Aritya Ukkasah , Moch. Ardi, dan Johan's Kadir Putra, "Pertanggungjawaban Hukum Terhadap Pelaku Usaha Kosmetik yang Tidak Memiliki Izin Edar", *Jurnal Lex Suprema*, Vol. 1, No. II (September 2019) : 1-16.

<sup>&</sup>lt;sup>3</sup> Fitrah Zaki Amri, "Penegakan Hukum Terhadap Pelaku Penjulan Kosmetik Ilegal Secara Online Oleh Balai Besar Pengawas Obat dan Makanan (BPOM) Pekanbaru", *JOM Fakultas Hukum Universitas Riau*, Vol. VII, No. 2 (Juli –Desember 2020) : 1-15

<sup>&</sup>lt;sup>4</sup> Dewi Muliyawan dan Neti Suriana, A-Z Tentang Kosmetika (Jakarta : PT Elex Media Komputindo) hal : 38.

components would harm the human sense of touch because the materials used were harmful materials such as mercury or other hazardous content.

The distribution permit is issued by the Food and Drug Administration of the Republic of Indonesia as a way of certifying the registration of pharmaceutical preparations, traditional medicines, beauty products, vitamins, and food of all kinds. It is done so that these products can be legally traded within Indonesia. The Food and Drug Administration is a government agency charged with carrying out state activities in the drug and food regulation field. It is not under the purview of the Ministry of Health. BPOM has the jurisdiction to regulate the implementation of drug and food inspection in the country. In addition, it is also authorized to issue or revoke the distribution license of a product so that it can be traded publicly. Because it carries out the task of drug and food supervision in the territory of Indonesia, BPOM has the right to grant or revoke the distribution license of a particular product. Under Regulation No. 33 of 2016 issued by the Minister of Health of the Republic of Indonesia about Guidelines for the Preparation of Quality Tests for Drugs and Food<sup>5.</sup>

The following is the data on local cosmetic products whose distribution licenses were withdrawn from 2020 – 2022.

NO	Year	Total
1	2020 - 2021	18
2	2021 – 2022	16
	Total	34

Table 1. Data on local cosmetic producs

In 2021 and 2022, the number of beauty products revoked by BPOM is expected to be lower than those recalled in the previous year. On the other hand, it does not rule out the possibility that many potentially harmful items remain undiscovered. This information was obtained from BPOM's public alert website, the authoritative source for the data presented here.

Based on data released by the BPOM as a sample example in 2022, it is known that large manufacturers are found to be selling cosmetics that need to follow the procedures for product eligibility for sale. For instance, as happened in cosmetic product brands, one of which is madame gie, it was found that three of the many products they released contained Red K3 and Red K10 dyes, which, if used, can cause disruption of liver function

<sup>&</sup>lt;sup>5</sup> Agata Pransiska Launde, Novie Revlie Pioh, dan Welly Waworudeng, "Tugas dan Fungsi Badan Pengawas Obat dan Makanan Dalam Melindungi Kesehatan Masyarakat Di Kota Manado *", Jurnal Jurusan Ilmu Pemerintahan*, Vol. 4, No. 4 (2020) : 1-17

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and can also cause cancer. The products that use these dyes consist of blush and nail polish.

Many items that do not meet the cosmetic quality requirements set by the Food and Drug Administration are still available for purchase. It is stated in Article 3, paragraph 1 of the Food and Drug Administration Regulation Number 23 of 2019 concerning Technical Requirements for Cosmetic Ingredients. This regulation addresses product addresses quality requirements, as well as benefits and safety. In actual use, many items on the market still do not meet the quality requirements of beauty products. The Food and Drug Administration (FDA) issued an appendix in November of the previous year noting that several product samples contained harmful chemicals.

By the principles of Sharia law, the parties must carry out the contract terms or the provisions made. The other party will suffer from the failure of some parties to fulfil their responsibilities. The term "dhaman al-aqd" refers to the need to enter a contract and can be found in Islamic law. This obligation must be fulfilled.

The Compilation of Sharia Economic Law, known as KHES, is a product of the Supreme Court of the Republic of Indonesia's decision No. 02 of 2008 in response to the development of Sharia economic law in Indonesia. This decision was taken as a reaction to the progress that has been achieved. As long as there is no specific legislation to address these issues, the Compilation of Sharia Economic Law, also known as KHAS, is used in Indonesia as a point of reference when discussing matters related to Sharia economics. The effort to increase human happiness in an equitable and balanced manner is one of the characteristics of a Sharia-based economy (individual-social, world-afterlife, nature-social).

The term "compensation", which is also spelt "ta'widh", refers to the act of compensating a person for financial losses suffered as a result of a mistake or act of carelessness committed by another party <sup>6</sup>. In such circumstances, a person may ask a claim for compensation under the guidelines outlined in Article 39 of the Compilation of Sharia Economic Law, which states as follows:

- 1. Parties in breach of their commitments continue to breach them, even if they have been informed that they have breached their obligations.
- 2. If something must be provided or produced, it can only be provided or produced within a lapse of time.
- 3. The party who breached the promise cannot prove that they were not subjected to any coercion when they breached the promise because they cannot prove that they were subjected to any force.

<sup>&</sup>lt;sup>6</sup> Wahbah Az-Zuhaili, *Nazariyah al-Dhaman*, (Dimasyq: Dar al-Fikr) hal: 93

In the compilation of Sharia economic law, several points make a party considered to have broken a promise, namely: not doing what was promised to do, doing what he promised but not as it should, doing what was promised but late and doing something that according to the agreement should not be done. As the contents of these points, KHES explains that parties who intentionally or unintentionally fulfil the elements listed in the issues described in KHES are considered to have broken promises and will be sanctioned. Therefore Law Number 8 of 1999 concerning Consumer Protection protects consumers from unwanted events that can interfere with consumer health and comfort<sup>7</sup>.

From the description above, this article aims to analyze in depth the Responsibility for compensation for beauty products that BPOM has revoked. Unlike other researchers' research, this article focuses on analyzing the liability for compensation from the perspective of the compilation of Sharia economic law. This study is reviewed in an article entitled " Responsibility for compensation to consumers of beauty products that have been withdrawn from distribution licenses by BPOM perspective compilation of sharia economic law ". The results of this study, based on the UUPK and KHES, regulate compensation for consumers from producers who do things that are not following the provisions set by BPOM related to the standardization of beauty products.

## B. Research Methodology

This research uses a juridical-normative approach with a case approach. This study uses the perspective of legal protection theory to provide protection for human rights that are harmed by others. Library research was conducted from December 2022 to February 2023 by reading literature and data related to the research object. This research relies on primary legal sources in statutory studies and the compilation of Sharia economic law. The next legal material is secondary legal material in the form of literature related to product compensation liability that does not comply with the procedures set by BPOM. Related data are collected and analyzed according to theories, concepts, laws, and regulations to be structured and understood.

## C. Discussion

## 1. BPOM's Authority in the Supervision of Beauty Products

An agency in Indonesia called the Food and Drug Supervisory Agency or commonly called BPOM, is charged with overseeing the circulation of food and medicine throughout the country. The Food and Drug Supervisory Agency is a non-ministerial government agency that carries out government duties in drug and food control, as referred to in

<sup>&</sup>lt;sup>7</sup> Ninuk Anita Sinaga dan Nunuk Sulisduratin, "PelaksanaanPerlindungan Konsumen Di Indonesia", *jurnal Ilmu Huku*m *Dirgantara*, Vol. 5, no. 2 (Maret 2015), hal : 71-87

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Article 1 of Presidential Regulation No. 80/2017. This regulation was issued in 2017. You will find references to this information in the document mentioned above in the same number. Pharmaceutical preparations (drugs), psychotropic drugs, narcotics, active ingredients, conventional drugs, and cosmetics are all included in this regulation.<sup>8</sup>.

- a. Issue distribution permits and product certificates equivalent to safety, efficacy/benefit, and quality standards. Conduct drug and food inspections following the provisions of applicable laws and regulations to carry out its responsibilities in drug and food supervision. BPOM is authorized to do the following to carry out its drug and food supervision responsibilities.
- b. conduct supervision and inspection in the field of drug and food control following the provisions of laws and regulations, and
- c. apply administrative sanctions following the provisions of laws and regulations<sup>9</sup>.

The supervision carried out by the FDS Agency after issuing a product distribution permit or when checking products regularly related to products circulating in the community are as follows<sup>10</sup>:

- 1. Engage directly in places expected to trade dangerous or inappropriate products as determined.
- 2. Inspect product packaging to assess whether or not it complies with applicable regulations.
- 3. In the inspection, the BPOM purchases the inspected products at a price set by the state and directly conducts laboratory testing on the goods.
- 4. The BPOM shall provide guidance or information to retailers who sell dangerous goods or goods not following applicable laws and regulations
- 5. BPOM will then transport the potentially hazardous materials to their disposal location.

This is under what has been detailed in the Food and Drug Supervisory Agency Regulation No. 14 of 2022 on the Withdrawal and Destruction of Medicines That Do Not Meet the Standards and Conditions of Safety, Efficacy, Quality, and Labeling. This regulation was issued in 2022. The issuance of this regulation is scheduled for 2022.

In general, BPOM is responsible for two different forms of surveillance, which can be broken down as follows: inspections conducted when the product has not yet been

<sup>&</sup>lt;sup>8</sup> Ardiyansyah Kahuripan, "Badan POM Kuat Menuju Indonesia Hebat", *Majalah Farmestika*, Vol. 3, No. 4 (2018) : 69-72

<sup>&</sup>lt;sup>9</sup> David Eko Prabowo dan Dede Kurniawan, "Pengaturan Pengawasan Badan Pengawas Obat dan Makanan (BPOM) Dalam perlindungan Konsumen", *Jurnal Projudice*, Vol. 2, No. 2 (April 2021) : 1-25

<sup>&</sup>lt;sup>10</sup> Diyan Setiawan, "Tugas dan Wewenang Balai Besar Pengawasan Obat dan Makanan Dalam Mengawasi Makanan yang Mendanung Zat Berbahaya", *Jurnal Elektornik Hukum Bisnis Universitas Narotama Surabaya*, Vol. 4, No. 2 (Oktober 2020) : 420-435

manufactured and after the product has been sold on the market. Currently, there are two distinct phases in which consumers are protected from potentially harmful cosmetic goods: the pre-market phase. and the post-market phase of the surveillance process<sup>11</sup>. As cosmetics are not yet sold to the public, the pre-market phase involves consideration and analysis of the safety and quality of the goods before they are sold. In comparison, the post-market stage explores one of the goods traded in the surrounding environment regarding the assessment of all items. This inspection is carried out by going to markets, convenience stores, or other businesses to take samples of food and/or commodities feared to be harmful to the public and then examining them in a laboratory using the samples taken. If the sample result is positive, then it is known that the product is circulated for sale to the whole community.

## 2. Withdrawal of Beauty Product Circulation Permit by BPOM

According to Presidential Regulation No. 80/2017 in Article 3, paragraph (1), letter d explains the implementation of inspection before the product is traded (Pre-Market) and review while the product is in effect in the community (Post-Market). Examination in the form of post-market carried out by BPOM is by conducting a sampling method of products on the market, and not only that, but the field of post-market supervision also covers supervision of product advertising, an inspection of production facilities, to the distribution process of a product itself. BPOM carries out this post-market supervision to protect the consistency and quality of products from the industry<sup>12</sup>.

BPOM also issues the distribution permit of a cosmetic product, but when a product has completed the pre-market process with BPOM, BPOM does not necessarily let go. BPOM still performs its duties in the supervisory function, not only focusing on the initial steps of prevention but also the supervisory function being carried out in the market is focused on, as it has been done recently. BPOM released a list of legal cosmetics that were found to contain hazardous ingredients. Announcing legal cosmetics containing hazardous ingredients is a real step in post-market supervision carried out by BPOM.

In Annex III, Publick Warning number PW.02.04.1.4.10.22.168 on October 04, 2022, BPOM released the public regarding cosmetics that contain banned or hazardous ingredients.

<sup>&</sup>lt;sup>11</sup> Merlina Gabrila Winata, "Perlindungan Hukum Bagi Korban Pengguna Produk Kosmerik Ilegal Berbahaya", *Jurnal Sapientia et Virtus*, Vol. 7, No. 1 (2022) :34-43

<sup>&</sup>lt;sup>12</sup> Yovia Rizki Arrahman dan Resmi Mustarichie, "Wewenang dan Alur Pemeriksaan oleh Balai Besar Pengawasan Obat dan Makanan Bandung Terhadap Kasus Temuan Parasit Cacing Pada Produk Makerel", *Jurnal Farmaka*, Vol. 16, No. 1 (18 Juni 2018) : 21-26

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**Table 2**. Data of Cosmetics with Prohibited/Dangerous Ingredients from the InspectionResults of the National Agency of Drug and Food Control October 2022– August 2022

No	Name of Cosmetics	Distribution License Number/Manufacturer's Name and Address	Hazardous Ingredients Content
1	MADAME CIE Cruse et		
1	MADAME GIE Sweet	NA11191205581	
	Cheek Blushed 03	PT. Tjhindatama Mulia –	Red K3
2	MADAME GIE Nail Shell	Jakarta	
2		NA11191505046	
	14	PT. Tjhindatama Mulia –	Red K10
		Jakarta	
3	MADAME GIE Nail Shell	NA11191505045	
	14	PT. Tjhindatama Mulia –	Red K10
-		Jakarta	
4	CASANDRA Lip Balm	NA18201301842	
	Care With Aloe Vera	PT. Selamat Makmur –	Sudan III
	(Strawberry)	Tangerang	
5	CASANDRA Lip Balm	NA1818130152	
	Care Magic (Strawberry)	PT. Selamat Makmur –	Sudan III
		Tangerang	
6	CASANDRA Lip Balm	NA18181304153	
	Care Magic (Orange)	PT. Selamat Makmur –	Sudan III
		Tangerang	
7	LOVES ME Keep Color	NKIT200001911	
	Trio Eyeshadow LM3044	PT. Kilau Cahaya	Red K10
	04	Cemerlang – Jakarta	
8	LOVES ME The Matte	NKIT200001917	
	Eyeshadow LM3016 02	PT. Kilau Cahaya	Red K10
		Cemerlang – Jakarta	
9	LOVES ME The Matte	NKIT200001915	
	Eyeshadow LM3022 04	PT. Kilau Cahaya	Red K10
		Cemerlang – Jakarta	
10	MISS GIRL Eyeshadow +	Eyeshadow :	
	Blush on No.2	NA11181204409	Red K3
		Blush On :	
		NA11121204438	
		PT. Jenny Cosmetics –	
		Jakarta	
11	MISS GIRL Eyeshadow +	Eyeshadow :	
	Blush on No.3	NA11181204408	Red K3
		Blush On :	
		NA11121204437	

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		PT. Jenny Cosmetics –	
		Jakarta	
12	MISS ROSE Matte 33	NA11191306045	
	Orchid 7301-043B33	PT. Tirta Candra Mulia –	Red K3 dan Red K10
		Jakarta	
13	MISS ROSE Matte 46	NA11191306050	
	Love Bug 7301-043B46	PT. Tirta Candra Mulia –	Red K3
		Jakarta	
14	MISS ROSE Matte 52	NA11191306054	
	Americano 7301-043B52	PT. Tirta Candra Mulia –	Red K3
		Jakarta	
15	MISS ROSE Matte 48	NA11191306051	
	Beeper 7301-043B48	PT. Tirta Candra Mulia –	Red K3
		Jakarta	
16	MISS ROSE Matte 50	NA11191306053	
	Loved 7301-04B50	PT. Tirta Candra Mulia –	Red K3 dan Red K10
		Jakarta	

Source: Annex 3, Public Explanation No.PW.02.04.1.4.10.22.16 (www.pom.go.id)

Decree No. 00386/C/SK/II/90 was issued by the Food and Drug Administration Director General regarding unique colours as hazardous compounds in pharmaceutical preparations. The Director General of the Food and Drug Administration issued this decree. According to this order, food and cosmetics should not contain substances incompatible with certain colours. This particular colourant is a type of dye usually used for textile materials; however, it is contained in cosmetic chemicals, adversely affecting the health of individuals who use it. K1 Orange (also known as C.I. Pigment Orange 5 and D&C Orange No.17), K3 Red (also known as C.I. Pigment Red 53 and D&C Red No.8), and Red K10 (also known as Rhodamine B, C.I. Food Red 15, and D&C Red No.) are some examples of these dyes. (C.I 45170:1) The British Pharmacological and Occupational Medicines Agency (BPOM) has prepared a list of potentially harmful or prohibited compounds for use in cosmetics. These substances can be found in products:

Red K3 and Red K10 Red K3 and red K10, according to BPOM release, are the most hazardous ingredients found in cosmetics that contain dangerous ingredients. Red K3 is a colouring material BPOM prohibits using because it has carcinogen side effects<sup>13</sup>. K3 and K10 colouring materials are banned from use by BPOM in BPOM Regulation No. 18 of 2015, wherein the regulation, these colouring materials are prohibited from use without the need to see the level of use in a product. Not only do they have

<sup>&</sup>lt;sup>13</sup> Rianna Suastari Rahayu, Iryanti Eka Suprihatin, dan Wiwik Susanah Rita, "Indentifikasi Pewarna Merah K3 (CI 15585) Dalam Produk Kosmetik Sediaan Perona Mata Secara LC-MS/MS", *Indonesian E-Jurnal of Applid Chemistry*, Vol. 5, No. 1 (Juli 2017) : 34-42

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carcinogen side effects, these two dyes can also interfere with liver function, skin irritation, cause respiratory problems, shortness of breath and cancer.

b. Sudan III Sudan I, II, and II are materials that belong to the azo group, usually used in the industrial world. Still, the industry is not the food or cosmetics industry but is commonly used as a fuel dye. This colouring material should not be used in cosmetic products because of its side effects, such as impaired kidney function, cancer, and liver damage.

Following the provisions of Article 105 (2) of Law, Number 36 the Year 2009 on Health (UUK) regarding cosmetics, a distribution license is required to ensure various legal relationships between consumers and cosmetics manufacturers to protect cosmetics sale and purchase agreements. These provisions are contained in Law Number 36 of 2009 concerning Health (UUK). Customer rights it has been outlined in Law Number 8 the Year 1999, which was enacted to protect customers' interests. This law was enacted in 1999. These are what article 4 read:

- a. The following are examples of consumer rights: a. The right to consume products and/or services in a pleasant, safe, and secure atmosphere.
- b. The right to choose goods and/or services to be obtained, as well as the ability to obtain these goods and/or services by the promised terms and guarantees.
- c. The right to accurate, clear, and correct information about the terms and conditions of product and/or service warranties.
- d. Customers can express their opinions and concerns about the goods and/or services they have purchased.
- e. The right to proper advocacy and protection, as well as the ability to participate in efforts to resolve problems related to consumer protection.
- f. Right to consumer-specific advice and information.
- g. The right to be dealt with or served in a fair, honest, and non-discriminatory manner.
- h. The right to compensation, reimbursement, and/or substitution if the products and/or services received are not following the agreement or not as intended, Me. The provisions of many other laws and regulations establish and protect these rights.

As discussed earlier, product users have the legal right to an accurate, authoritative, and straightforward explanation of the condition and warranty of an item, in this case, a beauty product. This right is outlined in Article 4, which can be found here. When it comes to businesses, they have a responsibility to explain beauty goods truthfully, authoritatively and honestly. This is required by providing "accurate, clear, and honest information regarding the terms and warranties of goods and/or services as well as providing explanations, repairs, and maintenance to users", which can be found in Article 7 letter (b) of Law No. 8/1999 on Consumer Protection."

Based on this explanation, all marketing of products marketed by business actors must stop marketing goods if BPOM has withdrawn their distribution license or provided information regarding this matter. So that consumers can find out that these beauty products are dangerous when used. However, many sellers cheat by still selling products that are clear that BPOM has withdrawn the distribution permit but are still widely found, especially on e-commerce platforms.

## 3. Compilation Of Sharia Economic Law Regarding Compensation And Law Number 08 Of 1999 Concerning Consumer Protection

The compilation of Sharia economic law (KHES) is actually a collection of various existing fiqh, but there are also some ijtihad from the compiler of KHES itself. KHES is not static but dynamic in nature that develops following the times. As has become a general rule in muamalah, the ashl law of muamalah is permissible as long as there is no nash that prohibits it<sup>14</sup>. This is in line with the discussion contained in this study.

The Compilation of Sharia Economic Law (KHES) explains broken promises in articles 36, 37, and 38, which can be found as follows: According to the provisions of articles 36 KHES, a party is considered to be in breach of promise if the party:

- a. Failing to perform an obligation that it has stated to be fulfilled.
- b. Respect the commitment, but not the way it was made.
- c. Kept his promise, but it was too late;
- d. Doing something that, according to the terms of the agreement, should not be done.

Article 37 KHES stipulates that the parties to an agreement shall be deemed to have broken their promise if it is declared that they have broken their promise by a warrant or similar deed or if, for their benefit, it is stipulated that the parties to an agreement shall be deemed to have broken their promise after a specified time has elapsed. In those two cases, the promise is deemed to have been broken. Each of these results is a violation of the agreement reached between the parties.

Article 38 KHES stipulates that contracting parties who violate their obligations may be subject to sanctions:

- a. Paying Damages.
- b. Cancel the Contract.
- c. Transferring risk.
- d. Payment of a fine; or

<sup>&</sup>lt;sup>14</sup> Fahrur Ulum, "Kontruksi Hukum Ekonomi Islam Kontemporer : Analisis Teori Sistem Jasser Auda Terhadap Kompilasi Hukum Ekonomi Syariah", *Jurnal Istinbath*, Vol. 15, No. 1 : 11-22

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#### e. Payment of court costs

In addition to KHES, matters governing compensation are also contained in the consumer protection law, which contains an order to offer regulations as a reference for actions aimed at protecting consumers. This law has the aim of ensuring that consumers are protected. In Indonesia, Law Number 8 of 1999 was enacted to protect customers. Subsequent laws and regulations have codified this consumer protection, and the law was first enacted in 1999.

Related to this, it is also explained in the GCPL itself in Article 8 paragraph (1) that business actors are prohibited from selling goods or services contrary to statutory provisions and trading damaged or defective pharmaceutical preparations with or without providing a detailed explanation. In addition, it is prohibited to sell goods or services that are contrary to the GCPL. In addition, it is unlawful to trade pharmaceutical preparations that have been damaged or proven defective. Concerning compensation, it is regulated in Article 19 paragraphs (1) and (2) of GCPL as follows: (1) Commercial actors are obliged to compensate consumers for any loss, pollution, or financial loss that may have been caused by their use of products and/or services that have been manufactured or traded. (2) Commercial actors are obliged to compensate customers for any loss, pollution, or financial loss that may have been caused by their use of products and/or services made or sold in the market.

The compensation referred to in the first paragraph may be a refund or replacement of goods and/or services of equal value. Alternatively, it can be in the form of health care and/or compensation following the provisions of the applicable laws and regulations.

It is indicated that if it violates the promise, it will be subject to compensation, this is stated in the KHES Fatwa, but KHES does not explain this compensation in detail. Meanwhile, Law No. 8 of 1999 explains that the form of Responsibility for compensation for dangerous products still circulating in the community has been arranged in administrative sanctions, specifically with a nominal compensation of up to Rp. 200,000,000 - (two hundred million rupiah) for violating the provisions regarding (1) failure to pay compensation to consumers [Article 19 paragraphs (2) and (3)]; (2) advertising that does not meet the requirements (Article 19); and (3) non-fulfilment of provisions.

# 4. Analysis of Compensation Liability for Consumers of Beauty Products Revoked by BPOM Perspective Compilation of Sharia Economic Law.

A disagreement occurs between a producer and a client when the producer does not comply with ongoing trading activities. Since the other party is not responsible for the activities of the first party, this issue may lead to non-fulfilment of the authority of one of Siti Nazar, Mhd. Yadi Harahap 52 the parties involved. As a result, the other party cannot obtain its rights. For example, a consumer suffers a financial loss because of using a certain product<sup>15</sup>. The loss itself is separated into two categories: material and immaterial. Material losses are losses experienced and can be quantified nominally, while immaterial losses cause loss of enjoyment of life, illness, or disability. Material losses are actual losses that can be experienced and quantified nominally<sup>16</sup>.

Regarding immaterial compensation liability, for example, consumers experience facial disfigurement due to using a dangerous product and require consumers to seek treatment from a beautician. Then consumers can ask for compensation from the manufacturer regarding the costs incurred by the amount that consumers have spent to carry out the treatment. While material loss can occur if the beauty product does not cause disability to the consumer but the consumer still suffers a loss because he has bought the dangerous beauty product, then the consumer can ask for material compensation for the purchase of the product.

Consequently, consumer protection measures are required to protect customers while negotiating and enacting trade agreements. The Responsibility for customer compensation for beauty products has been stated earlier. Unfortunately, not all customer rights outlined in the GCPL are implemented and guaranteed. In such a situation, customers will undoubtedly suffer enormous losses, both tangible and intangible property losses, due to purchasing a product that has officially revoked its distribution permit but is still free to distribute. So, by the sanctions for breaking promises determined by KHES, business actors are obliged to compensate losses suffered by customers.

The person responsible for conveying the issue of compensation to the business is the affected customer. It is reasonable to anticipate that the company will offer compensation comparable to the consumer's. Liability is the state in which the person who committed the fraud is required to bear the risk of the impact of their activities, which may result in legal action or prosecution. In other words, accountability is a prerequisite for Responsibility because Responsibility is a condition. Responsibility holds the offending party accountable for the harm directly caused by its actions and the possibility that the actions will be challenged in court. Consumers who feel aggrieved have the legal right to file a complaint and the legal right to seek redress from the businesses

<sup>&</sup>lt;sup>15</sup> Ribka Amanda Dera, "Perlindungan Hukum Bagi Konsumen terhadap peredaran Kosmetik Berbahaya", *Jurnal Lex Privatum*, Vol. VIII, No. 1 (Januari 2019) : 14-22

<sup>&</sup>lt;sup>16</sup> Rai Mantili, " Ganti Rugi Immateril Terhadap Perbuatan Melawan Hukum Dalam Praktik : Perbandingan Indonesia dan Belanda", *Jurnal Ilmiah Hukum*, Vol. 4, No. 2 (September 2019) : 298-321

<sup>53</sup> Compensation Liability For Consumers Of Beauty Products That Distribution Licenses.....

involved. On the other hand, the company needs to consent to the customer's report and provide adequate compensation to the customer<sup>17</sup>.

Correspondingly, the examination of businesses has not been conducted at the level of excellence expected by the GCPL. This implies that many potentially harmful beauty products are still available for sale. Although the laws and regulations are evident, BPOM must conduct inspections and advise businesses before they are allowed to sell cosmetics in the market, especially against unauthorized resellers who sell beauty products. It is done to ensure consumers are protected, and cosmetics are safe. Customers who experience financial losses due to violations of the law committed by corporate actors can take legal action, either in the form of a lawsuit or through a dispute resolution agency; both options are available to consumers.

Based on these findings, the author urges businesses to pay more attention to the rights of every consumer. It is unlawful for actors in the business world to engage in behaviour that will result in financial loss and inconvenience to their clients with the sole intention of increasing their profits. Nonetheless, it seems that they are not worried about the effects this will have on future customers. In addition, it would be beneficial for the government through the Department of Industry and Trade, the Pharmaceutical Supervision and Monitoring Agency (BPOM), and law enforcement officials (APH) to coordinate each other to make efforts to protect consumers from the distribution of potentially dangerous cosmetics. This effort will be made. These efforts can be carried out both in conventional markets and through the utilization of electronic commerce (e-commerce).

## **D.** Conclusion

According to the author, it can be concluded that the Responsibility of business actors to consumers who have suffered losses related to the sale of beauty products that have been withdrawn by BPOM because containing hazardous ingredients, namely by providing compensation based on Article 19 of the GCPL regulates the compensation of business actors as an act of Responsibility if there are losses arising from the sale of products. This is also in line with KHES, which regulates the negligence of business actors and breaks consumer promises for the products they sell.

Consumers who experience losses such as disability or poisoning in using beauty products, allergies, injuries or pain caused by using these products, then from this, the business actor is required to provide compensation in the form of treatment costs. For

<sup>&</sup>lt;sup>17</sup> Berly Pradiptama dan Dw Aryanti Ramadhani, "Tanggung Jawab Pelaku Usaha Atas Kerugian Konsumen Dalam Perjanjian Baku", *Jurnal Kertha Semaya*, Vol. 9, No. 9 (2021) : 1544-1552

business actors who do not provide compensation if consumers experience the losses mentioned above per Article 19 of the GCPL, the Consumer Dispute Resolution Agency can impose administrative sanctions on business actors per the provisions in Article 60 of the GCPL. If the consumer is still not compensated or compensated by the business actor, then the consumer can file a claim for compensation through the Court or BPSK.

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