



**THE LEGALITY OF DATA LOCALIZATION REGULATIONS
IN RESPECT TO INTERNATIONAL DIGITAL TRADE**

THESIS

Submitted to complete the tasks and fulfil the requirements to complete the
Bachelor of Law Program

by:

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**INTERNATIONAL UNDERGRADUATE PROGRAM
FACULTY OF LAW UNIVERSITAS DIPONEGORO
SEMARANG
2024**

APPROVAL SHEET

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The Undergraduate Thesis with the above title has been authorised and approved
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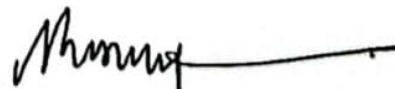
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STATEMENT OF ORIGINALITY

I hereby declare that this Undergraduate Thesis has never been submitted to obtain a degree in another university, and to the best of my knowledge there are no works or opinions that have been written or published by other people, except those that are written in this manuscript and mentioned in the bibliography.

Semarang, 16 May 2024



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MOTTO AND DEDICATION

*“Trust in the Lord with all your heart
and lean not on your own understanding;
in all your ways submit to him,
and he will make your paths straight”*

Proverbs 3: 5 – 6

Never forget, just as Father Mike Schmits has stated:

“No One is Beyond the Range of God’s Grace”

I dedicate this thesis to:

The Lord Almighty

My beloved family

My dearest friends, colleagues, lecturers, and mentors at Universitas Diponegoro

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The Author expresses deep gratitude to the Almighty God for His grace, blessings, and mercy, which allowed the successful completion of this Thesis with the title: “**THE LEGALITY OF DATA LOCALIZATION REGULATIONS IN RESPECT TO INTERNATIONAL DIGITAL TRADE**”. With the growing trend in digital trade, laws and regulations that circumvent the free flow of data cross borders has raised concerns of States and foreign service providers to continue to provide such services in other States. The level of strictness that is continuously increasing limits foreign service providers to penetrate the market. Which raises the questions on its legality and consistency with international trade regulations in regards to data localization.

This completion of thesis is a mandatory task as a requirement to complete the credit for Internship and Thesis and fulfil the requirements for the Final Examination of the Undergraduate Law Program at Universitas Diponegoro. This thesis is a result of the author’s passion in cyber law and international trade law. With this thesis, the author aims to contribute in the research of the growing concerns within digital trade.

All things considered; the author is fully aware that the accomplishment of this thesis was made possible through the invaluable assistance from numerous parties. As a result, the Author wishes to express profound gratitude and appreciation to the following parties:

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In the humblest way, the author would like to express her deepest thank you to all the parties that has helped the author throughout her university journey both mentioned and unmentioned above. The author acknowledges that this thesis contains numerous imperfections. The author is open to any form of criticism from all parties in order to enhance this thesis for the better. It is the author's wish that this thesis is able to be beneficial towards society and the international community.

Semarang, 28 March 2024

Efrema Ardratya Prakasita Puteri

ABSTRACT

The purpose of data localization is to limit the movement of data and restricts the transfer of data from one location to another. In limiting the movement of data, such requirement may amount to a barrier in the trade of services. This thesis is put together through the normative juridical method by studying various sources of literature, secondary data, and library research to find a synchronization of regulatory in a horizontal order. Here, it was found that States implement data localization at different degrees of strictness for the purpose of cybersecurity concerns, and each level of strictness effects its consistency with international regulations. The GATS regulates on the hindrance or barriers in trade services, and in this case data transfers. Hence, to overcome inconsistencies between domestic and international regulations, States may balance its interest and conduct digital trade agreements with the international community. This thesis will look into if data localization implemented by States amount to a trade barrier, as well as ways to overcome such inconsistencies.

Keywords: *data localization, data, barriers, trade, digital*

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LIST OF ABBREVIATIONS

Abbreviations	Explanation
GATT	General Agreement on Tariffs and Trade
GATS	General Agreement on Trade and Services
GDPR	General Data Protection Regulation
IUP	International Undergraduate Program
WTO	World Trade Organization