

The Legality of Cryptocurrency Transactions in Indonesia

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Article	Abstract.
Keywords: Asset; Commodity; Cryptocurrencies; Trading. Article History Received: 2022-10-12; Reviewed: 2022-10-13; Accepted: 2022-10-14; Published: 2022-10-15. DOI: 10.30659/jdh.v%vi%i.26 722	<p><i>This study aims to know the cryptocurrency is a digital currency that is used as a medium for transactions or payments between people online (peer to peer). Cryptocurrency is a virtual currency that is protected with a secret code that is complex enough to protect and maintain the security of the value of the currency. Several types of cryptocurrencies include ethereum, ripple, litecoin, dogecoin, mrai, dashcoin, and so on. Currently, cryptocurrency is an investment instrument that is quite attractive to the public, the popularity of crypto investment itself can be seen from the increasing number of cryptocurrency investors. Therefore, The Commodity Futures Trading Supervisory Agency (CoFTRA) of the Ministry of Trade as a regulator that oversees cryptocurrencies in Indonesia has begun to tighten supervision of crypto asset trading. The research used is normative legal research with a statutory and conceptual approach. The research stages were carried out by analyzing the Commodity Futures Trading Supervisory Agency Regulation Number 7 of 2020 concerning the Determination of the List of Crypto Assets that can be Traded in the Crypto Asset Physical Market (PerCoFTRA Number 7 of 2020), and Act No. 7 of 2011 concerning Currencies, to find out cryptocurrency legality in Indonesia. The protection carried out on crypto assets is by first registering the type of cryptocurrency with CoFTRA to be analyzed and determined to be tradable or not. The determination of tradable crypto assets is carried out through the Analytical Hierarchy Process (AHP) valuation method which has several assessment criteria that must be met, where the conditions for crypto assets that can be traded on the physical asset market must be guided by CoFTRA No. 7 of 2020.</i></p>

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1. Introduction

The most important component in a payment system is a payment instrument that is useful to support the system to keep it running. The payment system includes payment instruments that have been recognized and become legal tender, as well as banking procedures used in the payment process. Cashmere defines money in a broad sense, namely as a means of payment/purchase of goods and/or services which has a function as a unit of account that shows the value of the

goods and/or services sold or purchased.¹

Money as a medium of exchange or means of transaction has developed from time to time. In Indonesia, there are three known types of money, namely currency, demand deposits and digital money. Currency is a type of money issued by the central bank in the form of banknotes and coins, and can be used directly for transactions of goods and services. Demand deposit is money that is not in physical form or cannot be directly held by the public, issued by private banks in the form of accounts or demand deposits and cannot be used for direct transactions. In contrast to quasi money, which is a type of money that is relatively less liquid and its use is bound by time.²

Along with the development of technology in Indonesia, it has an impact on the economy in Indonesia. Sales, purchases and payments can now be done online or e-commerce. E-commerce or electronic commerce is electronic commerce which includes the process of buying and selling goods and/or services, exchanging products, transferring funds, services and information using computer networks or the internet. The development of e-commerce has also encouraged the development of payment instruments, from what were originally cash based instruments, to now there are new payment instruments known as non-cash based instruments, which propose that transactions are no longer paper-based. One of the paperless payment instruments that has developed recently is virtual money or electronic money.³

Electronic money can be a legal payment instrument if it meets the conditions determined by Bank Indonesia, namely being circulated according to the amount of money deposited in Rupiah, so that if these criteria have been met, the money that will be circulated in electronic form can be used by the public in transactions.

Along with the development of virtual currencies, a phenomenon has emerged in society since the emergence of cryptocurrencies as a manifestation of technological developments in e-commerce activities. Cryptocurrency is digital money, virtual money, or electronic money that is in a virtual world and there is no

¹Kasmir, (2016), *Bank dan Lembaga Keuangan Lainnya Ed. Revisi Cet.17*, Jakarta: Rajawali Pers, p. 13.

²Sukirno Sadono, *Makroekonomi Teori Pengantar Edisi Tiga*, (2013), Jakarta: Rajawali Pers, p. 36.

³Yohandi, Axel (2017), "Implikasi Yuridis Penggunaan Mata Uang Virtual Bitcoin Sebagai Alat Pembayaran Dalam Transaksi Komersial (Studi Komparasi Antara Indonesia-Singapura)", *Law Jurnal*, Vol. 6, No. 2, p. 1-19, July 2017, <https://ejournal3.undip.ac.id/index.php/dlr/article/view/17012/16307>. p. 2.

concrete form of object.⁴Cryptocurrency is a form of a series of cryptographic codes that can be stored on a computer device and can be transferred such as electronic mail.⁵*Cryptocurrenquare* two words, namely *crypto* which means which refers to a cryptography or language of every password in the computer world. Cryptography is a branch of computers that studies how to hide information. Through this cryptography, messages that have been arranged systematically will become random messages that are secret while *currency* means referring to the value of the currency, so cryptocurrency is a virtual currency that is commonly used as an alternative transaction along with a mechanism that is supported by the internet network with complete computer password protection systems that are difficult to hack and safe.⁶

The presence of cryptocurrencies fosters various opinions among the public. Are crypto transactions safe? Is it legal? Is cryptocurrency a legal means of payment for transactions? Is investing in cryptocurrency safe? Cryptocurrency is an online payment tool using a peer to peer network or user-to-user payments. Until now there are many types of cryptocurrencies, including Ripples, Bitcoin, Litecoin, Ethereum and so on. Among these types of cryptocurrencies, Bitcoin dominates the cryptocurrency market. In Indonesia, trading using cryptocurrencies as a means of payment is still being debated because it violates several current laws and regulations.

2. Research Methods

The type of legal research used in writing this law is descriptive normative legal research⁷. The approach used in this paper is the law (statute approach). By reviewing laws and regulations related to the legal issues being handled.⁸The types and sources of legal materials used are in the form of secondary legal materials. The technique of collecting legal materials using library research. The legal material analysis technique used is qualitative with a deductive method in drawing conclusions.

⁴Ausop, Asep Zaenal (2018), "Teknologi Cryptocurrency Bitcoin untuk Investasi dan Transaksi Bisnis Menurut Syariat Islam", *Jurnal Sosioteknologi* Vol. 17. No. 1, p. 75-92, April 2018, <https://media.neliti.com/media/publications/238411-teknologi-cryptocurrency-bitcoin-dalam-t-300a7542.pdf>. p. 74.

⁵Axel Yohandi, *Op.cit.* p. 2.

⁶Randy Eka, Know Cryptocurrencies and Transaction Mechanisms, accessed from <https://dailysocial.id/post/menal-cryptocurrency-dan-mekanisme-transaksinya>, on July 22, 2022.

⁷Suratman and H. Philips Dillah, (2013), *Metode Penelitian Hukum*, Bandung: Alfabeta, p. 11.

⁸Peter Mahmud Marzuki, (2011), *Penelitian Hukum*, Jakarta: Kencana, p. 93

3. Result and Discussion

3.1. The legal status of cryptocurrency in Indonesia

Cryptocurrencies as a currency and means of payment in Indonesia. *Cryptocurrency* is quite popular nowadays. The way cryptocurrencies work is dependent on their security or cryptography.⁹ One type of cryptocurrency that is known to the public is bitcoin because it has a high exchange rate. In Indonesia, cryptocurrencies cannot be used as currency and legal tender. Bank Indonesia as a regulator has prohibited the use of cryptocurrencies as a means of payment because it has risks and contradicts the prevailing laws and regulations in Indonesia.¹⁰ The risks of cryptocurrency to the Indonesian economy are as follows:¹¹

- The risk of payment systems and Rupiah money management if cryptocurrencies or crypto assets are used as a means of payment in Indonesia.
- The risk of capital outflows that could affect Bank Indonesia's monetary policy with the increase in cryptocurrency transactions in Indonesia.
- The risk of financial system stability in Indonesia will become more complex and involve the banking sector if crypto transactions become more prevalent in Indonesia.
- Risk of money laundering and terrorism financing violations in cryptocurrency transactions.
- Consumer protection risks and personal data protection in cryptocurrency transactions.

Legislation that prohibits cryptocurrency as currency or means of payment in Indonesia:

- Act No. 7 of 2011 concerning Currency (Currency Law)

The use of cryptocurrency as a currency and means of payment in Indonesia is also contrary to Act No. 7 of 2011 concerning Currency (Currency Law). Article

⁹Damiann Muhammad Mangan (2013), "Bitcoin: Cara Kerja dan Perbandingannya dengan Mata Uang Konvensional". Makalah IF3058 Kriptografi – Sem II Tahun 2012/2013, Bandung: Institut Teknologi Bandung, 2013, <https://informatika.stei.itb.ac.id/~rinaldi.munir/Kriptografi/2012-2013/Makalah2-2013/Makalah2Kripto2013-002.pdf>.

¹⁰Rianto, Agung Prasetyo (2019), "Tinjauan Yuridis Penggunaan Mata Uang Digital Dalam Transaksi Jual Beli di Indonesia". Skripsi, Medan: Universitas Sumatera Utara,, <https://repositori.usu.ac.id/bitstream/handle/123456789/26233/150200421.pdf?sequence=1&isAlloWed=y>

¹¹Azhar, Syamsul, 1 June 2021, "Bank Indonesia meningkatkan lima risiko besar maraknya perdagangan *cryptocurrency*", diakses dari <https://nasional.kontan.co.id/news/bank-indonesia-meningatkan-lima-risiko-besar-maraknya-perdagangan-cryptocurrency> accessed on 5 July 2022

paragraph 1 of the Currency Law states that, Currency is money issued by the Unitary State of the Republic of Indonesia, hereinafter referred to as Rupiah. Furthermore, Article 2 of the Currency Law reads, money is a legal tender and Indonesia recognizes Rupiah as the currency in force in its territory. Thus, the Currency Law has affirmed that Rupiah is the only legal currency in the Unitary State of the Republic of Indonesia (NKRI) and every transaction that has a payment purpose is carried out within the territory of Indonesia. This is in line with Article 21 paragraph 1 of the Currency Law, Rupiah must be used in every transaction that has the purpose of payment, obligations that must be met with money or other financial transactions in Indonesia. In addition to stipulating that payments or transactions in the territory of the Unitary State of the Republic of Indonesia must use Rupiah, the Currency Law also stipulates sanctions for parties who make payments in the territory of Indonesia without using Rupiah, such parties may be sentenced to a maximum of one year in prison, and a maximum fine of IDR 200. 000000, - (two hundred million Rupiah).¹²

- Bank Indonesia Regulation Number 17/3/PBI/2015 concerning Obligation to Use Rupiah (hereinafter referred to as “PBI Obligation to Use Rupiah”).

In Article 2 of the PBI the Obligation to Use Rupiah, it is stated that each party is obliged to use Rupiah in transactions conducted within the Territory of the Unitary State of the Republic of Indonesia. The transaction includes every transaction that has the purpose of payment, settlement of other obligations that must be met with money and/or other financial transactions. The exception to the use of Rupiah is regulated in Article 4 of the PBI on the Mandatory Use of Rupiah, namely the use of Rupiah as referred to in Article 2 does not apply to the following transactions:

- certain transactions in the context of implementing the state budget of revenues and expenditures;
- acceptance or granting of grants from or to foreign countries;
- international trade transactions;
- deposits in the Bank in the form of foreign currency; or
- international financing transactions.

Sanctions for violations of the use of Rupiah in cash or non-cash are regulated in Articles 17 and 18 of the PBI. Obligation to Use Rupiah:

Article 17:

Against violations of:

¹²Article 33 paragraph 1 of Act No. 7 of 2011 concerning Currency.

- *mandatory use of Rupiah for cash transactions as referred to in Article 3 paragraph (1) letter a; and/or*
- *prohibition against rejecting Rupiah as referred to in Article 10, the criminal provisions as referred to in Article 33 of Act No. 7 of 2011 concerning Currency.*

Article 18:

- *Violation of the mandatory use of Rupiah for non-cash transactions as referred to in Article 3 paragraph (1) letter b shall be subject to administrative sanctions in the form of:*
 - *written warning;*
 - *Obligation to pay; and/or*
 - *Prohibition of participating in payment traffic.*
- *The penalty for the obligation to pay as referred to in paragraph (1) letter b is set at 1% (one percent) of the transaction value, with a maximum amount of IDR 1,000,000,000 (one billion Rupiah).*

In other words, payments for transactions that occur in the territory of Indonesia are required to use Rupiah as the currency and legal tender in Indonesia with the exceptions stipulated in the laws and regulations.

- Bank Indonesia Regulation Number 18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing (hereinafter referred to as "PBI for the Implementation of Payment Transaction Processing).

Payment System Service Providers are prohibited from:¹³

- Perform payment transaction processing using virtual currency;
- Misusing customer data and information as well as payment data and information; and/or
- Own and/or manage a value that can be equated with the value of money that can be used outside the scope of the relevant Payment System Service Provider.

Article 27 of the PBI for the Implementation of Payment Transaction Processing requires that the Payment System Service Provider must comply with the provisions of the laws and regulations regarding the use of Rupiah for payment transactions conducted within the territory of the Unitary State of the Republic of Indonesia. In other words, the use of Rupiah in all transactions in Indonesia cannot be ruled out

¹³Article 34 Bank Indonesia Regulation Number 18/40/PBI/2016 concerning Implementation of Payment Transaction Processing.

and becomes an obligation.

For Payment System Service Providers who violate the provisions of Article 34 PBI of Payment Transaction Processing Operations may be subject to administrative sanctions in the form of warnings, fines, temporary suspension of part or all of payment system service activities; and or revocation of license as a Payment System Service Provider.

- Bank Indonesia Regulation Number 20/6/PBI/2018 concerning Electronic Money (hereinafter referred to as “PBI Electronic Money”).

The operation of electronic money as one of the non-cash payment instruments in the territory of Indonesia must be carried out using the Rupiah currency, providing benefits to the Indonesian economy, and is carried out while prioritizing the application of prudential principles, risk management, and fair business competition. Article 51 of the PBI for Electronic Money states that electronic money issued in Indonesia must use the rupiah currency unit. All transactions that use electronic money and are carried out within the territory of the Unitary State of the Republic of Indonesia must use Rupiah. The use of Rupiah in Electronic Money transactions conducted within the territory of the Unitary State of the Republic of Indonesia can among others be demonstrated by the existence of proof of transactions in Rupiah, as stated in the draft or other proof of transactions.

3.2. Cryptocurrencies as a tradable crypto asset at CoFTRA

The *cryptocurrency* as a crypto asset is mandated in the Letter of the Minister of the Economy Number S-302/M.EKON/09/2018 dated 24 September 2018 regarding the Follow-up to the Implementation of the Coordination Meeting on the Regulation of Crypto Assets (Crypto Assets) as Commodities Traded on the Futures Exchange. In its regulation, crypto assets are still prohibited as a means of payment, but can be used as an investment tool that is included as a commodity that can be traded on a futures exchange. With consideration, because economically the investment potential is large and if it is prohibited it will have an impact on the number of investments that come out (capital outflow) because consumers will look for markets that legalize crypto transactions.

Factors for determining crypto assets as commodities:¹⁴

- Crypto asset prices are very volatile from time to time.

¹⁴Ministry of Trade of the Republic of Indonesia Commodity Futures Trading Supervisory Agency, Crypto Asset Trading, https://bappebti.go.id/resources/docs/brosur_leaflet_2001_01_10_7zwvgs5w.pdf accessed on 8 July 2022.

- The emergence of crypto assets is traded freely without any intervention from the government so that the market structure is perfect.
- The rapid development has created a lot of demand and supply for crypto assets in the world and in Indonesia.
- Crypto assets have digital commodity standards so that crypto assets have standards like other commodities, including the use of technology, price/value, can be traded and have uses as a means of payment in certain communities/projects.

The Ministry of Trade will determine crypto assets as commodities traded on the Futures Exchange.¹⁵

- Act No. 10 of 2011 concerning Amendments to Act No. 32 of 1997 concerning Commodity Futures Trading (hereinafter referred to as “Commodity Futures Trading Law”).

Commodities are all goods, services, other rights and interests, and any derivatives of Commodities, which can be traded and become the subject of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts.¹⁶Based on these provisions, crypto assets are categorized as rights or other interests so that they are included in the Commodity category. Crypto assets that have developed widely in the community require a legal umbrella for the community as business actors, therefore it is necessary to regulate crypto assets as the subject of Futures Contracts on the Futures Exchange. The Commodity Futures Trading Supervisory Agency (hereinafter referred to as “CoFTRA”) is a government agency that carries out the regulation, development, guidance, and day-to-day supervision of Futures Trading activities.¹⁷Therefore, cryptocurrencies are used as crypto assets and the provisions regarding their regulation and supervision will be carried out by CoFTRA.

Article 15 of the Commodity Futures Trading Law states that:

- *Futures Exchange may carry out physical transactions of commodities whose types are regulated as in Article 3 after obtaining CoFTRA's approval.*
- *Provisions regarding the procedure for approval as referred to in paragraph (1) shall be regulated by the Regulation of the Head of CoFTRA.*

This means that CoFTRA has the authority to give approval to the Futures Exchange to carry out physical transactions for Commodities (including crypto

¹⁵Ministry of Trade of the Republic of Indonesia Commodity Futures Trading Supervisory Agency (CoFTRA), *ibid*.

¹⁶Article 1 paragraph 2 of Act No. 10 of 2011 concerning Amendments to Act No. 32 of 1997 concerning Commodity Futures Trading.

¹⁷Article 4 paragraph 1 of Act No. 10 of 2011 concerning Amendments to Act No. 32 of 1997 concerning Commodity Futures Trading.

assets) and has the authority to determine the procedures.

In addition to the Commodity Futures Trading Law, the determination of Crypto Assets as commodities has been stipulated in Article 1 of the Regulation of the Minister of Trade Number 99 of 2018 concerning General Policies for the Implementation of Crypto Asset Futures Trading (Crypto Assets), Crypto Assets (Crypto Assets) are stipulated as Commodities that can be Contract Subjects Futures traded on the Futures Exchange.

- Regulation of the Commodity Futures Trading Supervisory Agency of the Republic of Indonesia Number 3 of 2019 concerning Commodities That Can Be Subjected to Futures Contracts, Sharia Derivative Contracts, and/or Other Derivative Contracts Traded on the Futures Exchange (hereinafter referred to as "Perbappebti No. 3 of 2019").

In Article 3 of the Commodity Futures Trading Law it is stated that Commodities that can be subject to Futures Contracts, Sharia Derivative Contracts, and/or Other Derivative Contracts are regulated by the Regulation of the Head of CoFTRA, so that in Per CoFTRA Number 3 of 2019 crypto assets are commodities in the digital asset sector.

- Commodity Futures Trading Supervisory Agency Regulation Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Assets Physical Market Trading on the Futures Exchange (hereinafter referred to as "Percopebti No. 8 of 2021")

Crypto assets are intangible commodities in the form of digital assets, using cryptography, peer to peer networks, and distributed ledgers to set up new units, verify transactions, and secure transactions without interference from other parties. Based on this definition, cryptocurrency cannot be used as a means of payment but only as a commodity. These provisions regulate matters that must be considered and fulfilled by business actors as crypto asset traders in providing types of crypto assets as investment facilities. For physical traders of crypto assets who violate the provisions of CoFTRA which regulates crypto assets, they will be subject to sanctions that apply in accordance with the provisions.

In carrying out crypto asset transactions, physical traders of crypto assets are required to facilitate buying and selling between crypto assets and Rupiah currency. This is regulated in Article 31 of CoFTRA No. 8 of 2021, the placement of Crypto Asset Customer funds in separate accounts of prospective Crypto Asset Physical Traders or Crypto Asset Physical Traders as referred to in Article 30 letter a, is carried out through book-entry between Bank accounts or through electronic

money. The funds must use Rupiah currency.¹⁸Likewise, the withdrawal of Crypto Asset funds by Crypto Asset Customers must be carried out using Rupiah currency.¹⁹

Based on the provisions of the laws and regulations above, cryptocurrencies cannot be used as currency and legal tender in Indonesia. In Indonesia, crypto is legal if it is used as a commodity in investing (crypto assets) which is supervised by CoFTRA. That way, the crypto function does not conflict with the applicable laws and regulations in Indonesia.

- Protection for people who make cryptocurrency transactions in Indonesia

The purpose of regulating the physical trading of crypto assets is to provide legal certainty for crypto asset trading business actors in Indonesia, provide protection to crypto asset customers from possible losses from trading crypto assets, facilitate innovation, growth, and development of physical trading business activities of crypto assets in Indonesia, and prevent the use of crypto assets for illegal purposes such as money laundering and terrorism financing and the development of weapons of mass destruction.²⁰ To mitigate losses by the public on crypto asset transactions, it is hoped that the public or crypto asset customers will purchase crypto assets that have been designated by CoFTRA in the Crypto Asset List that can be traded on the Crypto Asset Physical Market. This is recommended simply because crypto assets that have been included in the list of tradable crypto assets have met the terms and conditions set by CoFTRA.

The types of crypto assets that can be traded as specified in the List of Tradeable Crypto Assets have met the criteria set by CoFTRA, including: a) based on distributed ledger technology; b) in the form of utility crypto assets or crypto-backed assets; and has obtained the results of the assessment using the Analytical Hierarchy Process (AHP) method determined by CoFTRA.²¹

Currently in the list of tradable crypto assets as stipulated in the CoFTRA No. 7 of 2022 concerning the Establishment of the List of Tradeable Crypto Assets, there

¹⁸Article 31 paragraph 6 Commodity Futures Trading Supervisory Agency Regulation Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Assets Physical Market Trading on the Futures Exchange.

¹⁹Article 36 paragraph 4 Regulation of the Commodity Futures Trading Supervisory Agency Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Assets Physical Market Trading on the Futures Exchange.

²⁰Ministry of Trade of the Republic of Indonesia Commodity Futures Trading Supervisory Agency (CoFTRA), opcit.

²¹Article 3 paragraph 2 Regulation of the Commodity Futures Trading Supervisory Agency Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Assets Physical Market Trading on the Futures Exchange.

are 229 types of crypto assets that can be traded on the Crypto Asset Physical Market, including:²²

1. Bitcoin	16. Cardano
2. Ethereum	17. Tezos
3. Tether	18. Stellar
4. Xrripple	19. Neo
5. Bitcoin nash	20. Ném
6. Binance coin	21. Cosmos
7. Polkadot	22. Whapped bitcoin
8. Chainlink	23. Iota
9. Litecoin	24. VeChain
10. Bitcoin SV	25. Dash
11. Litecoin	26. Ethereum classic
12. Crypto.com coin	27. Yam finance
13. Usd coin	28. Theta
14. Eos	29. Binance usd
15. Tron	30. Omig network

Figure 1. Different types of crypto assets that can be traded

Crypto asset physical traders who trade certain types of crypto assets that have been revoked in the determination of the Crypto Asset List that can be traded on the Crypto Asset Physical Market are required to stop trading crypto assets within a period of no later than 30 (thirty) working days from the issuance of CoFTRA Regulations concerning Determination of the Crypto Asset List that can be traded in the Crypto Asset Physical Market. Crypto Asset Physical Merchants are also required to ask the Customer to liquidate their crypto assets or to transfer the Customer's crypto assets to the Customer's wallet or e-wallet. Physical Crypto Asset Traders are required to include the settlement steps for crypto assets that are revoked from the List of Tradeable Crypto Assets in the trading rules document.²³

Parties that play an important role in crypto asset transactions include CoFTRA, Futures Exchange, Futures Clearing House, Crypto Asset Physical Traders, Depository, Crypto Asset Customers, Crypto Asset Committee. During the registration process, Crypto Asset Physical Traders are required to fulfill the following conditions:

²²Ministry of Trade of the Republic of Indonesia Commodity Futures Trading Supervisory Agency, Crypto Asset Trading, https://bappebti.go.id/resources/docs/brosur_leaflet_2001_01_10_7zwvgs5w.pdf

²³Article 3 Commodity Futures Trading Supervisory Agency Regulation Number 7 of 2020 concerning Stipulation of the List of Tradeable Crypto Assets

- Notify any changes to systems, business processes, and rules and regulations that are owned.
- Committed to disclose any information and data related to the implementation of the provisions in the CoFTRA Regulations.
- Take necessary education and counseling for the development of crypto asset trading.
- Participate in every implementation of coordination and cooperation with CoFTRA, other authorities or ministries/institutions.

Physical traders of crypto assets are required to provide information needed by CoFTRA in a transparent manner, including financial reports, transaction reports, company activity reports (quarterly activity reports and company annual activity reports).

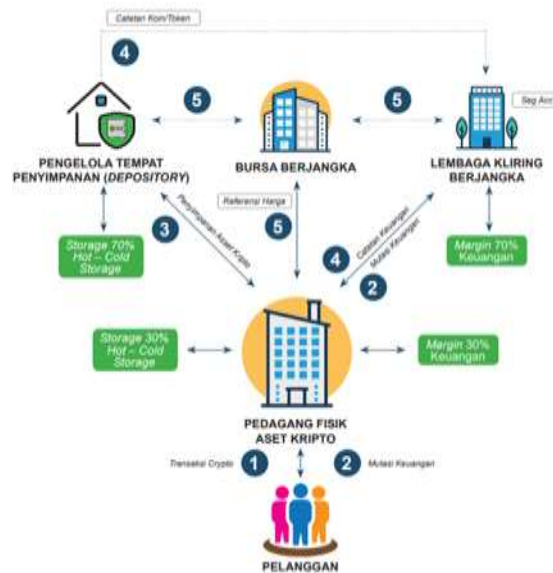


Figure 2. Crypto asset transaction scheme:

Regulations regarding crypto assets are regulated, developed and overseen by the Commodity Futures Trading Regulatory Agency. The Commodity Futures Trading Regulatory Agency has also established a list of crypto assets that can be traded in the Crypto Asset Physical Market. This is done by the government in order to give an appeal to the public as customers or prospective customers of crypto assets to be careful in investing, especially investing in crypto assets. It is hoped that people who want to invest in crypto assets choose the types of crypto assets that have been set by CoFTRA so that they are safer and minimize losses on transactions for these crypto assets.

4. Conclusion

The legal currency according to Act No. 7 of 2011 concerning Currency is Rupiah. The use of Rupiah as a means of payment until now cannot be replaced, so that cryptocurrency is not a legal tender in Indonesia. The use of electronic money is also required to comply with the provisions on the use of the Rupiah currency, so that the use of cryptocurrency as a currency and means of payment in Indonesia is not recognized or illegal in the eyes of the law. The use of cryptocurrencies can still be used in Indonesia in accordance with the exceptions set out in the legislation. Cryptocurrency transactions that are allowed in Indonesia are to make cryptocurrencies a means of investment known as crypto assets.

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- [4] Bank Indonesia Regulation Number 18/40/PBI/2016 concerning Implementation of Payment Transaction Processing
- [5] Bank Indonesia Regulation Number 20/6/PBI/2018 concerning Electronic Money (State Gazette of the Republic of Indonesia of 2018 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 6203)
- [6] Commodity Futures Trading Supervisory Agency Regulation Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Assets Physical Market Trading on the Futures Exchange
- [7] Regulation of the Commodity Futures Trading Supervisory Agency of the Republic of Indonesia Number 3 of 2019 concerning Commodities That Can Be Subjected to Futures Contracts, Sharia Derivative Contracts, and/or Other Derivative Contracts Traded on the Futures Exchange