

PROTECTION OF CRYPTOCURRENCY INVESTOR ASSET SECURITY ON INDONESIAN EXCHANGE

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ABSTRACT

Abstract: Progress in this digital era and the growing economic activity that occurs in human existence, this is also what can be the focus. Due to the widespread use of the internet and social media in the country, the growth of the digital economy in Indonesia is considered to have great potential. In an economic context in this digital era, this is evidence that growth and development are growing. As a result, more and more commerce and commercial transactions use the Internet as a digital medium for communication, collaboration, and joint ventures between individuals or businesses. Cryptocurrencies are one of those things that are now making it easier for people to make virtual commercial transactions. Cryptocurrency is a technique that uses a cryptographic technology system to assist in processing cryptocurrencies, and digital assets. The Greek words *graphein*, meaning writing or science, and *kriptó*, meaning hidden or secret, are the sources of the words *cryptology* and *cryptography*. In this case, to be able to find out the regulations regarding the legitimacy of using crypto assets in the form of bitcoin to be used as a transaction tool in paying attention to the regulations of the Currency Law, ITE Law, and Bank Indonesia Regulations. As well as to identify whether the losses incurred on crypto assets can be guaranteed for their civil rights.

Keywords: Crypto Currency; Security Protection; Cryptocurrency

Introduction

In something that provides growth and can make the digital era very, very rapid and make progress in all parts of people's lives. The emergence of computer technology to be developed for the wider community and supported by the presence of the development of the internet adds to the increasingly advanced technology today, the existence of the internet connecting throughout the world without knowing the borders of the country is evidence of increasingly rapid digital development (Lokantara, 2019).

One of the basic human needs, namely the need for boards or houses that require land, will certainly also cause problems with the limited land. These basic needs are fulfilled by individuals by building their own land on their own land, some are provided by other parties (Sondakh & Karamoy, 2022).

In an economic context in this digital era, it is something that proves that economic development and growth are accelerating so that the growth of trade transactions or businesses that utilize internet media services as digital media in communicating,

collaborating, and collaborating between individuals or companies (Setiawan, 2018).

One of the things that makes it easier for people to make virtual transactions for business at this time is Cryptocurrency. Cryptocurrency is a technology that manages crypto assets in the form of cryptocurrency, a digital asset by utilizing a cryptographic technology system to help the process of receiving or sending personal data securely. The word cryptology or cryptography is Greek, graphein which means writing or science, and kryptós which means hidden or secret (Sajidin, 2021)

However, there is an obstacle faced by the Cryptocurrency system because in the country the legal payment medium is cash in the form of rupiah denominations in accordance with Law No. 7 of 2011 concerning Currency and Bank Indonesia Regulation No. 17/2015 concerning the Obligation to Use Rupiah and non-cash money or electronic money contained in a central server which this time is regulated directly by Bank Indonesia as the central bank which only recognizes servers such as BNI's TapCash, Brizzi BRI, e-Money Mandiri, Flazz BCA and others that have been regulated in PBI Number 11/2009 concerning Electronic Money (Meima & Pratama, 2018)

Meanwhile, digital money such as bitcoin and the like and all transactions recorded on a decentralized network are prohibited in accordance with PBI No. 18/2016 concerning "Implementation of Payment Transaction Processing" that in the explanation prohibits the use of Virtual Currency and also includes bitcoin in the use of payment instrument transactions (Handriyanto, 2022).

Blockchain is a software technology that provides a record of all transactions, both outgoing and incoming transactions transparently through a peer-to-peer network. On the other hand, the presence of Cryptocurrency generates a profit for its users, because the increase in profits is increasing in price, thus providing investment profits for investors (Fattah et al., 2022). Not only that, the application of cryptocurrency is so very easy and does not use fees that make losses for its users also the users of this cryptocurrency do not have a centralized authority, therefore cryptocurrency users are free to make any transactions whenever their users want. Cryptocurrency is very popular among business people and investors to get high profits. In contrast, the emergence of the Cryptocurrency marketplace is very helpful in the running of an investment because it makes sellers and buyers involved in determining the currency exchange rate of cryptocurrencies in Indonesia (Hanafi, 2018).

An advantage is that there are certainly some problems in society, especially society at this time, legal events that cause losses in investing using the cryptocurrency system occur a lot (Nurhisam, 2020). Proper regulation is certainly needed to regulate crypto assets considering that technology and communication actually raise new implications or problems that need to get legal regulation, including security, privacy, and consumer protection. While crypto assets are difficult to be associated with consumer law in them,

because crypto assets are commodities that are invested like gold. The Consumer Protection Act states that a protected consumer is an end consumer (Syafitri, 2022).

Responding to these problems requires security standards that must be met by business actors as the owner of the platform or the platform can operate properly so as not to harm other users. Then the imposition of responsibility if there is a problem caused by the system results in crypto asset users becoming weak and as if the asset users cannot demand anything if later the asset is lost even though it is not his fault.

As material to guarantee a comparison of the authenticity of this study, there is one study that is identical but there are differences in terms of discussion. Research conducted by Sabrina Puspasari entitled "Legal Protection for Investors in Crypto Assets on Commodity Futures Exchanges". The focal point in this study is aimed at the characteristics of crypto asset transactions and analyzing the validity of transactions and legal protection for investors in crypto asset transactions in commodity futures trading. Meanwhile, the research that the author conducted focuses on security and legal protection of crypto virtual asset transactions. Moving on from this, the author raised the title "Protection of cryptocurrency investor asset security on Indonesian Exchanges"

Research Method

Types of Research

As for this research, the data has 2 types, including:

- a. Primary material is binding to legal material
- b. Secondary legal materials, are literature and publications to support the main legal documents. Secondary legal materials, which include primary and secondary legal sources, are called tertiary legal materials.

Research Approach

In research, normative juridical methods are used that focus on law. Laws and regulations, as well as court rulings and recommendations, form the basis for normative juridical studies. As a result of this strategy, scientists will be able to gather data from multiple angles about the problem they are trying to solve. Law and legal concepts are studied in this study, which focuses on positive law.

While research is descriptive, the aim is to offer as much information as possible about the subject under study while presenting the current state of affairs. So as to be able to study ideals, which are then assessed according to legal theory or relevant law.

Result And Discussion

Legal Relationship and Validity of Agreements in Bitcoin Transactions

Legal relationship is any relationship that occurs between two or more legal subjects in which the rights and obligations of one party are in conflict with the rights and

obligations of the other party (Sinaga, 2020). A reciprocal relationship between two parties who perform different legal actions, one party performs legal relations to sell and the other party performs legal acts to buy.

Legal relations according to Soeroso are relationships between two or more legal subjects, where in this case rights and obligations, one party is dealing with the rights and obligations of the other party (Hidayatullah, 2016). in the sphere of civil law, the legal relationship of the parties is based on an agreement as stipulated in Article 1313 BW . This relationship has two sides, namely power / authority or rights (bevoegdheid) and obligations (plicht). Rights and obligations arise due to an event regulated by law as stated in Article 1457 of the Civil Code on Engagement (verbintenis), which arises an agreement (overeenkomst) . In the transaction of buying and selling bitcoin crypto assets on the Futures Exchange Legal relations according to Soeroso are relationships between two or more legal subjects, where in this case rights and obligations, one party is dealing with the rights and obligations of the other party., legal relations may occur between the parties. Based on Article 1 of the Regulation of the Commodity Futures Trading Supervisory Agency Number 5 of 2019 concerning Technical Provisions for the Implementation of the Crypto Asset Physical Market (Crypto Asset), regulates the parties in crypto asset trading transactions. These parties are crypto asset traders (exchangers), Crypto Asset Customers, and Kiring Futures Institutions. Institutions Where Crypto Assets Are Deposited and Commodity Futures Exchanges. In Article 1 Paragraphs (8) and (9) of the Regulation of the Commodity Futures Trading Supervisory Agency Number 5 of 2019 concerning Technical Provisions for the Implementation of the Crypto Asset Physical Market (Crypto Asset), it is explained that there are two parties in crypto asset trading transactions, namely crypto asset traders and crypto asset customers. Crypto asset traders act as parties who facilitate crypto asset transactions between one customer and another. Customers are crypto asset customers who use crypto asset trading services to buy and sell assets in the physical crypto asset market (Tambun & Putuhena, 2022).

In the scheme, it can be explained that the seller is a member exchanger (crypto asset trader) and the buyer is also a member exchanger, if the seller and buyer are not members of the exchanger then there cannot be buying and selling transactions in the exchange system. BTC coin sale and purchase transactions are in accordance with the selling price and purchase price available in the Market. For example, A is a seller and is an Indodax member, B is a buyer who is also an Indodax member, if the seller and buyer are not Indodax members, there can be no buying transactions in Indodax. Indodax is a crypto asset trader that facilitates crypto asset transactions between customers with each other. Customers are crypto asset customers who use crypto asset trading services in buying and selling assets in the physical crypto asset market. Platform from PT. Indodax Nasional Indonesia is a relationship between Buyers and Sellers who trade a number of bitcoin assets on the site. Both the seller and the buyer must be customers or members in Indodax. Indodax's role here is as a crypto asset trader

and a place that brings together sellers and buyers. The object of bitcoin here is as a digital asset traded by exchange members (Jaya & Widyastuti, 2022).

Customers (Investors) who sell BTC coins (bitcoin) to other customers can be said to be business actors, according to Article 1 Paragraph (3) of Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection, that; "Business Actor is any individual or business entity, whether in the form of a legal entity or non-legal entity established and domiciled or carrying out activities in the jurisdiction of the Republic of Indonesia Indonesia either alone or jointly through the study of organizing business activities in the economic sector." (Kurniawan et al., 2021)

Customers (investors) who purchase BTC coins (bitcoin) can be said to be Consumers, in accordance with the provisions according to Article 1 Paragraph (2) of Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection, that. "Consumer is everyone who uses goods or services available in society, whether for the benefit of themselves, family, others, or other beings and is not for trade".

The legal relationship between the Seller Customer and the Buyer Customer can be said to be the relationship between the seller and the buyer. Which is stipulated in Article 1457 BW which confirms that:

"A sale and purchase agreement is an agreement in which one party binds itself to deliver the object, while the other party binds itself to surrender the amount of the price used"

The essential elements in buying and selling bitcoin crypto assets are BTC Coins (as goods) and the price to be paid. BTC coin (bitcoin) is a legal object that has economic value, and can be controlled by humans in accordance with the provisions of Article 499 of the Civil Code that the so-called property is any goods and rights that can be controlled with property rights. In accordance with Article 1332 of the Civil Code states that only goods traded are the subject of the agreement (de zaken welke in de handel zijn kunnen alleenlijk her onderwerp van overeenkomsten uitmaken)".

Also regulated in Article 1 Paragraph (5) of Law Number 7 of 2014 concerning Trade explains the definition of goods that goods are any objects, both tangible and intangible, both movable and immovable, both expendable and inexpendable and can be traded used, used, or utilized by consumers or business actors.

Therefore, customers (investors) who make sales are obliged to submit the sale of bitcoin assets/coins. as stipulated in Article 1475 of the Civil Code is to hand over the goods he has sold into the power and property of the buyer (de leveing is eene overdragt van het verkochte goed in de magt in het bezit van de koper). Surrender here is in the sense of surrender of goods sold into power (bezit or possession).

Handing over the object to real power and ownership of the buyer becomes acceptable to any group considering that the seller has received his rights in the form of an agreed price as stipulated in Article 1478 BW. After receiving the right as the desired achievement, the seller is obliged to give the achievement of compensation to the buyer, namely handing over his property that has agreed to be the object of the sale and purchase agreement.

In addition, the customer (investor) who makes the purchase is obliged to pay the purchase price at the time and place as stipulated according to the agreement as stipulated in Article 1513 of the Civil Code. What is understood by "price" is of course a sum of "money", if otherwise agreed, under Article 1514 BW the buyer must pay on the spot and at the time the delivery is made. (Aulia, 2018)

Crypto Asset Physical Trader is a party who obtains approval from the Head of Bappebti to conduct crypto asset transactions either on their own behalf or facilitate crypto asset customer transactions, as stipulated in Article 1 Paragraph (8) of the Commodity Futures Trading Supervisory Agency Regulation Number 5 of 2019 concerning Technical Provisions for the Implementation of the Crypto Asset Physical Market (Crypto Asset) on the Futures Exchange Technical Provisions for the Implementation of the Crypto Asset Physical Market (Crypto Asset) in Futures Exchange. So according to the author, Crypto Asset Physical Traders who have obtained permission from the Head of Bappebti to conduct crypto asset transactions act as "business actors" in accordance with Article 1 Paragraph (3) of the Law, as well as "intermediary traders" or "brokers (brokers)" because Crypto Asset Traders or exchanges are tasked with facilitating crypto asset customer transactions, namely connecting between seller customers (investors) and buyer customers (Investors) to make BTC Coin buying and selling transactions (bitcoin). This relates to Article 62 of the Commercial Law Code. In Article 62 of the Commercial Law Code, it is explained that a broker is an intermediary trader appointed by the government, he runs his company by doing his work while getting certain wages or provisions, on the mandate and names of people with whom he does not have a permanent relationship

Conclusion

Cryptocurrency is a technique that uses a cryptographic technology system to assist in processing cryptocurrencies and digital assets. The Greek words *graphein*, meaning writing or science, and *kriptó*, meaning hidden or secret, are the sources of the words *cryptology* and *cryptography*. In this case, to be able to find out the regulations regarding the legitimacy of using crypto assets in the form of bitcoin to be used as a transaction tool in paying attention to the regulations of the Currency Law, ITE Law, and Bank Indonesia Regulations. As well as to identify whether the losses incurred on crypto assets can be guaranteed for their civil rights.

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