



Analysis of The Probability of Money Laundering Crimes toward the Development of Crypto-currency Regulations in Indonesia

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Abstract

Cryptocurrency is done instantly, so it does not require a third party (the central bank as the holder of moneter policy). All transactions in the Cryptocurrency system will be collectively verified in a private network. Today Cryptocurrency transaction activities are prohibited in Indonesia in line with the issuance of Bank Indonesia Regulation number 18 of 2016 concerning the Implementation of Payment Transaction Processing. Taking into account that the clarity of the Cryptocurrency system is not very good and is still in the government assessment stage even though it is noted that the exchange rate of virtual currencies is very high, in 2017 the price of one Bitcoin is closed equivalent to 4,224 US dollars or around Rp. 56,000,000, with market capitalization (Marketcap) for 71.5 billion US dollars, equivalent to Rp. 954 trillion which makes investors choose to challenge inventories on Cryptocurrency or digital currency rather than investing in safe havens such as gold or bonds. This study will discuss how Cryptocurrency can provide potential money laundering criminal offenses in the form of digital transaction systems and how the regulations are developed. Given the legal conditions for proving money laundering crimes originating from criminal acts of corruption often find it difficult, especially against Cryptocurrency as a currency that is not recognized in Indonesia and the peer-to-peer nature that increasingly makes Cryptocurrency very private and difficult to trace.

Keyword: Cryptocurrency, Money Laundering Offense, Regulation

INTRODUCTION

The progress of technology that is growing rapidly significantly also affects economic development, especially in terms of financial technology (Fintech). The need for cash has diminished in line with the rapid growth of digital money and digital currencies which are thought to be more practical, safe and efficient payment methods.

Countries such as China, Canada, Sweden, and Uruguay for example, have become countries that implement new changes and thoughts about digital currencies. Digital cash and digital currencies have become an inevitable need. The Swedish central

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bank, Risk Bank, even plans to launch the first version of the digital currency called e-krona in 2019 (Risk Bank, 2019).

Cryptocurrency (Virtual Currency or cryptocurrency) is a term from digital currency that is designed as a legitimate payment instrument. Initially, this cryptocurrency was designed to be used in virtual communities and certain online gaming sites as a transaction tool. Until finally the number of digital currencies continues to grow and reach activities in the real world to become a separate trend.

Cryptocurrency development in Indonesia has increased quite significantly. Currently, Indonesia has an official cryptocurrency exchange place in several places such as indodax.com, rekeningku.com, and tokocrypto.com and others. Currently circulating digital currencies can be obtained either directly through development, bilateral transactions with investors, from companies that sell and sell digital currencies and purchase certain items or indirectly through digital currency exchange.

Cryptocurrency is defined concisely as a unit of value stored in electronic media. Cryptocurrence is not made by the state or monetary union, but is made by a group of people or legal entities aiming to be used for multilateral exchange of goods or between members of the group. With the "open" or "closed" digital currency schema, it depends on whether or not it can be converted to a legitimate currency (Virtual Currencies Working Group, 2014). Digital currency has properties that do not require complete user data (anonym), are difficult to track because it uses a peer to peer system, and extraterritorial makes virtual currency a new tool for criminals to store and process crime money perfectly and difficult to trace.

Cryptocurrency with all of these conditions results in several cases where the virtual currency is used as a means of conducting and even facilitating a crime, one of which is cyber laundering. In an article published on the Kontan.co.id media platform, the FBI has collected at least 130 cases in 2018 relating to crimes caused by cryptocurrency.

One case of money laundering related to cryptocurrency is the Liberty Reserve case that occurred in 2013. Liberty Reserve is a provider of money transmitting services which claims to be one of the oldest, safest, and popular online payment systems in the world. An easy transaction mechanism only needs to provide a name, address, and date of birth without having to be authenticated by the user (The New York Times, 2013). Account holders convert cash to digital currency through Liberty Reserve, move it instantly and the money can be converted back in cash. Every time a transaction is made, the company makes a profit of \$ 2.99. The scheme has used at least 78 million transactions with a combined value of \$ 8 billion related to hiding the results of credit card theft, identity fraud, hacking and other fraudulent investment schemes (BBC, 2018).

The case of Liberty Reserve in the United States is one of the things that is considered a new threat from the rise of cases of virtual currencies. Because there have been many similar cases that make cryptocurrency a means of transnational crime that Indonesia needs to watch out for. Given the strategic location of Indonesia.

RESEARCH METHOD

This study uses a normative juridical approach with library research (research on secondary data). With two focus on the formulation of the problem to be discussed, namely; (1) How can a cryptocurrency be able to generate the potential for money laundering? and (2) What is the development of regulations regarding Cryptocurrency in Indonesia ?

FINDING AND DISCUSSION

The Essence of Crypto-currency

The terminology of cryptocurrency is a digital form of money that is designed to be safer and anonymous, related to the internet and uses cryptography (Blockchain technology) that is able to transform information into an almost unbreakable code to track the purchase and transfer of money.

For example, Bitcoin is one of the existing cryptocurrency forms. Created by Satoshi Nakamoto, in 2009 Bitcoin opened a new chapter of digital money after e-gold first existed in 1996. Bitcoin or cryptocurrency is a peer-to-peer electronic money system.

According to Nakamoto, the world needs a system that is not built on trust, but based on cryptography or Blockchain technology. Bitcoin or cryptocurrency works with peer-to-peer networks and requires open source software. This peer-to-peer network is then arranged in a mode in a self-managed network. This network in operating bitcoin or cryptocurrency ensures that the data information provided is the same for each user. The Bitcoin system consists of two types of users. Firstly, bitcoin is owned by miners.

In other words, miners use the power of a computer network system to add new Bitcoins to the system. In addition to adding new Bitcoin to the system, miners also have the task of verifying transactions and maintaining the system. The second user, is the user who spends Bitcoin. To hold Bitcoin, users must open an online wallet or install an offline wallet on their computer. Wallet has no Bitcoin, but keeps updating and tracking Bitcoin balances. This means that each Bitcoin is linked to the wallet address, also known as the public key. To send or receive Bitcoin, users need other people's wallet addresses to send money. If the user wants to access the Bitcoin wallet, the user must use a personal password that was created by himself to open the balance. Therefore, personal passwords, also known as private keys, are needed to access balances and send transactions. If a user loses or forgets a personal password, there is no possibility to be able to access the Bitcoin balance again (Sampson, 2017). Bitcoin is one of the block chain technologies.

The definition of Blockchain is a type of ledger that is distributed to users or decentralized databases that store all forms of digital transactions / activities. This is synchronized and operated through the internet network and everyone is very likely to be part of the user. In cryptocurrency, when digital transactions occur, these transactions will be grouped together in blocks that are protected cryptographically with other transactions carried out at the same time. Transactions will then be sent to the entire network. Validated transaction blocks will be given a time stamp and added in a linear block chain. The new block is linked to the validated block, making it a transaction chain that is sorted on time (list) (Sampson, 2017).

If examined further, cryptocurrency is basically a digital asset/commodity that develops along with technological developments. The cryptocurrency approach is more analogous to gold, silver, and mining but in digital form than defined as virtual currency. It can be seen how the characteristics of something can be called money that is fulfilling characteristics; Acceptability, Portability, Stability of value, Durability, Scarcity, Uniformity. Whereas in fact, cryptocurrency is not something that is issued by the Central Bank or Government (Acceptability) and also is not a thing whose value is stable from time to time (Stability of Value) (Darmawan, 2018).

Development of Crypto-currency Regulations

The development of cryptocurrency regulations in the world has entered a new phase. Some countries such as Japan, China, the United States, and Sweden are examples of countries that officially recognize and regulate cryptocurrency. Some countries prohibit circulation, and some countries allow cryptocurrency to be used and recognize it as the future currency.

Baidu, as the biggest Search Engine in China, received a lot of Bitcoin access starting in 2014. More than 570 Million Bitcoin users and developed into more users. After Bitcoin rose, the Central Bank of China and government institutions issued a statement called "Prevention of Risk of Bitcoin". The legal status of Bitcoin in China is considered as not a currency and should not be used, but Chinese people are allowed to own and use Bitcoin at the risk borne by individuals. Because cryptocurrency is a limitless digital currency, China tries to control capital to maintain financial flows amid a stronger US dollar and more and more investors choose cryptocurrency as a promising investment alternative that can destabilize the economy. Rules regarding cryptocurrency in China besides controlling capital, anti-money laundering measures must be implemented first before opening the platform. Chinese officials make a rule that will eventually treat cryptocurrency platforms such as Bitcoin as a State Bank and require cryptocurrency users to identify themselves with Video that is connected to the system platform at the time before accessing the Bitcoin type of cryptocurrency.

Unlike Japan, Japan is one of the world's leading Bitcoin cryptocurrency users. Since April 1, 2017, the legal status of Bitcoin in Japan is considered equivalent to conventional currencies and recognizes Bitcoin as digital money and is legitimately used as a payment method.

Of the several countries that are members of the G20, a Financial Stability Board was formed to coordinate at the international level the work of national financial authorities and international standard bodies to develop and promote effective implementation of regulatory policies and other financial sector oversight. Its mandate is regulated in the FSB charter, which regulates policy making and activities related to the FSB. These activities, including any decisions reached in the context, may not bind or give rise to any legal rights or obligations based on the FSB's Articles of Association. The countries that are members of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Korea, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Switzerland, Turkey, the United Kingdom, the United States and the European Union ([Financial Stability Board, 2018](#)).

In Indonesia, regulations regarding Bitcoin are regulated in several other laws and regulations. In article 1 paragraph 1 of Law Number 7 of 2011 concerning Currency provides a definition of currency, the article reads "Money issued by the Unitary State of the Republic of Indonesia hereinafter referred to as Rupiah". With the sound of the article, it confirms that the cryptocurrency is not a currency recognized by the Unitary State of the Republic of Indonesia.

Currency in the eyes of positive law in Indonesia has a definition in accordance with the sound of Article 21 paragraph 1 of Law Number 7 of 2011 concerning Currency which reads "Any transaction that has the purpose of payment, or other obligations that must be fulfilled with money, or other financial transactions conducted in the Territory of the Republic of Indonesia must use Rupiah". Thus further emphasizing that regulation in Indonesia prohibits cryptocurrency activity.

Quoted from the results of a press release dated January 13, 2018 entitled "Bank Indonesia Warns all Parties not to Sell, Buy or Trade Virtual Currencies" issued by the

communication department of Bank Indonesia, Bank Indonesia as monetary authority, banking and payment system, the main task of the Bank Indonesia not only maintains monetary stability, but also financial system stability. In terms of cryptocurrency regulation, Bank Indonesia issued several regulations, namely in Bank Indonesia Regulation Number 18/40 / PBI / 2016 concerning the Implementation of Payment Transaction Processing and in Bank Indonesia Regulation Number 19/12 / PBI / 2017 concerning the Implementation of Financial Technology. In these rules Bank Indonesia confirmed that as a payment authority, Bank Indonesia prohibits all payment system service providers (principals, switching operators, clearing operators, final settlement providers, publishers, acquirers, payment gateways, electronic wallet organizers, fund transfer providers) and Financial Technology providers in Indonesia, both Banks and Non-Bank Institutions to process virtual currency payments solely in the realization of Bank Indonesia as an authority in the field of monoter, always maintain financial system stability, protect consumers and prevent money laundering and terrorism financing in the world (Agusman, 2018).

If re-explained, two regulations of Bank Indonesia that prohibit the virtual currency from processing payment transactions, namely:

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

The operation of Payment System Services is prohibited:

- a. Perform payment transaction processing using virtual currency;
 - b. Misusing customer data and information as well as data and information on payment transactions, and / or
 - c. Having and / or managing value that can be equated with the value of money used outside the scope of Payment System Service Providers which has implications: PJSP which processes activities using virtual currency or cryptocurrency can be subject to sanctions of reprimand, fines to revocation of licenses.
2. Article 8 paragraph (2) Bank Indonesia Regulation Number 19/12 / PBI / 2017 concerning the Implementation of Financial Technology
In addition to the obligations as referred to in paragraph (1) which read;
Article 8 paragraph (1)
(1) Financial Technology Providers registered with Bank Indonesia must:
 - a. apply the principle of consumer protection in accordance with the products, services, technology, and / or business models that are run;
 - b. maintain the confidentiality of consumer data and / or information including data and / or transaction information.
 - c. apply the principles of risk management and prudence.
 - d. use the rupiah in every transaction carried out in the territory of the Unitary State of the Republic of Indonesia in accordance with the provisions of legislation governing the currency;
 - e. apply the principles of anti money laundering and prevention of terrorism funding in accordance with the provisions of laws and regulations governing anti-money laundering and prevention of funding for terrorism; and
 - f. comply with other statutory regulations.

Financial technology providers are prohibited from conducting payment system activities using virtual currency or cryptocurrency with the implications of implementing Financial Technology that uses a virtual currency or cryptocurrency can be removed from the Bank Indonesia register so that it cannot cooperate with PJSP (Implementation of Payment System Services) (Agusman, 2018).

The development of regulations in Indonesia regarding the recognition of cryptocurrency in Indonesia has been increasingly taken into account with the issuance of Minister of Trade Regulation No. 99 of 2018 concerning the general policy of implementing crypto asset futures trading. In Regulation A quo, it is stated that asset crypto is recognized as one of the commodities as stated in Article 1 of the Regulation of the Minister of Trade No. 99 of 2018 concerning the general policy of implementing crypto assets:

article 1

"Crypto Assets (Crypto Assets) are designated as Commodities that can be used as Futures Contract Items traded on the Futures Exchange."

Not only that, in article 2 of regulation A quo mandates specific rules regarding crypto assets regulated in regulations issued by the head of the Republic of Indonesia Commodity Futures Supervisory Agency. Exactly February 4, 2019, the head of the Indonesian Commodity Futures Supervisory Agency issued Regulation of the Republic of Indonesia Commodity Futures Trading Regulatory Agency Number 3 of 2019 concerning Commodities that can be used as Futures Contracts, Sharia Derivative Contracts and / or other Derivative Contracts traded on the Futures Exchange. In the regulation, commodities in agriculture and plantations, commodities in mining and energy, commodities in industry, commodities in fisheries and maritime affairs, commodities in the financial sector, commodities in digital assets, in this type of government classify crypto assets in the type of commodities in digital field.

Regulation of the Indonesian Commodity Futures Trading Regulatory Agency Number 3 of 2019 concerning Commodities that can be Subjected to Futures Contracts, Shariah Derivative Contracts and / or other Derivative Contracts traded on the Futures Exchange also requires the Commodity Futures Trading Regulatory Agency in Indonesia to issue technical rules for implementation the rule. Then the Commodity Futures Trading Regulatory Agency Regulation No. 5 of 2019 is issued concerning the Technical Provisions for the Implementation of the Crypto Asset Physical Market on the Futures Exchange.

Regulation of the Indonesian Commodity Futures Trading Regulatory Agency Number 3 of 2019 concerning Commodities that can be Subjected to Futures Contracts, Sharia Derivative Contracts and / or Derivative Contracts traded on the Futures Exchange also requires the Commodity Futures Trading Regulatory Agency in Indonesia to issue technical rules for implementation the rule. Then the Commodity Futures Trading Regulatory Agency Regulation No. 5 of 2019 issued concerning the Technical Provisions for the Implementation of the Crypto Asset Physical Market on the Futures Exchange.

Analysis of the Potential of Money Laundering Crimes Against the Development of Cryptocurrency Regulations in Indonesia

The term money laundering and dirty money are very closely related. This dirty money is usually obtained by breaking the law such as corruption. With the aim of fooling law enforcement officials so that they do not suspect the dirty money is the result of a criminal offense, one of the ways in which the perpetrator can do is to practice money laundering, one of the current trends is to buy property or property as if it were sourced from a legitimate business activity. One of the alternatives for storing assets from a crime is to invest it in a virtual currency or cryptocurrency.

Cryptocurrency has a negative risk of allowing pseudonymous transactions. Pseudonymous means a pseudonym (a fictitious name used when a person performs a particular social role, assumed for the time) so that it has the potential to be used in money laundering as a result of corruption and funding of terrorism without being able to find out who owns the asset the cryptocurrency. Not only that, Transactions based on a peer-to-peer technology system make financial activities in the cryptocurrency increasingly difficult to track and trace. Some cases that occur are related to cryptocurrency activities:

- 1) The bomber of the natural silk mall (leopard) threatens the management of the mall with a bomb and asks for ransom 100 BTC (2015)
- 2) The FBI closes the Silk Road, which is an online Black market that sells illegal goods including illegal drugs using bitcoin (2013).
- 3) Ghost Security Group Hackers Group successfully revealed several ISIS financial accounts in the Bitcoin network, one of which has a nominal Rp. 41.1 billion (in 2015).

The above examples are a small part of the cases that occur in cryptocurrency activities. The potential for criminal acts arises because cryptocurrency has the following properties:

1. Cryptocurrency is not a currency

The definition of currency in accordance with article 1 paragraph 1 of Act Number 7 of 2011 concerning Currency provides a definition of currency, the article reads "Money issued by the Unitary State of the Republic of Indonesia, hereinafter referred to as Rupiah". Article 1 paragraph 1 of Law Number 7 of 2011 concerning Currency provides a definition of currency, the article reads "Money issued by the Unitary State of the Republic of Indonesia, hereinafter referred to as Rupiah". also does not meet the classification of a currency that can be said namely: Uniformity, Not easily falsified, limited number, Acceptability, Stability of Value, Disability, Portability, and Durability.

Cryptocurrency is increasingly in demand by the community because of its higher exchange rates and multiple profits. But when demand is high, the value of this virtual currency is increasing and noisy. Bubble is a condition when the investment value becomes abnormally high.

2. Cryptocurrency does not have responsible authority and no official administrator
The peer-to-peer network technology system makes financial transactions in the cryptocurrency system directly decentralized to each user without any third party or central bank overseeing its financial activities. Not only that, the use of this peer-to-peer network system allows people to transact in a pseudonymous manner (not using real names). One of the challenges faced with cryptocurrency is power scarcity that can be used as legitimate evidence about crypto asset ownership.
3. Cryptocurrency is recognized as an Asset

Indonesia has arranged such a cryptocurrency as a recognized asset and can be traded. The crypto asset model has also been regulated in various policies. First, crypto assets are regulated in Minister of Trade Regulation No. 99 of 2018 concerning the general policy of crypto asset futures trading, which is further regulated in the form of Regulation of the Republic of Indonesia Commodity Futures Trading Regulatory Agency Number 3 of 2019 concerning Commodities that can subject to Futures Contracts, Sharia Derivative Contracts and / or other Derivative Contracts traded on the Futures Exchange with the technical rules namely the Commodity Futures Trading Regulatory Agency Regulation Number 5

of 2019 concerning Technical Provisions for the Implementation of Crypto Asset on the Futures Exchange.

With all the regulations that have been issued, the Government has regulated how preventive efforts and repressive efforts to minimize the potential for criminal acts of money laundering in economic activities in the digital field, especially in the type of cryptocurrency or Indonesia recognizes as crypto assets. In digital economic activities on the cryptocurrency model, it has also been regulated how preventive measures in article 3 paragraph (2) letter f which require that tradable crypto assets have been assessed for their risks, including the risk of money laundering and terrorism funding and proliferation of weapons of mass destruction.

Not only that, preventive efforts are carried out by the government by identifying and verifying the crypto asset customer account in accordance with the process of identification and verification in accordance with the provisions of anti-money laundering and prevention of anti-terrorism programs and proliferation of weapons of mass destruction. The process of identification and verification is not only carried out by the company that provides crypto assets (physical traders of crypto assets) but also all users (customers)

Efforts of the Indonesian Government in Preventing the Use of Cryptocurrency as a Means of Money Laundering

Criminal rules regarding cryptocurrency in Indonesia may not be specifically regulated in the Law, but the crime of money laundering in the Cryptocurrency model is implicitly accommodated by Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes.

Article 3

Everyone who places, transfers, assign, spends, pays, grants, entrusts, brings abroad, changes form, exchanges with currency or securities or other acts of assets that he knows or is reasonably expected to be the result of criminal acts referred to in Article 2 paragraph (1) with the aim of hiding or disguising the origin of Assets is punished for criminal acts of Money Laundering with a maximum imprisonment of 20 (twenty) years and a maximum fine of Rp.10,000,000,000.00 (ten billion rupiahs).

In the sound of article 3, Cryptocurrency is analogous to the category of "other acts of assets that it knows or should be expected to be the result of a criminal act". However, this uncertain regulatory condition still creates many potential decriminalization of cryptocurrency model money laundering.

Revising the Anti-Money Laundering Act in an effort to regulate cryptocurrency is important. In some countries such as the United States, Japan, China, and Singapore have compiled regulations regarding cryptocurrency. Amid increasingly rapid technological developments, various types of new virtual currencies will increasingly flourish, both similar and even more sophisticated (Akbar, 2016).

The establishment of special regulations regarding cryptocurrency can refer to the results of the Palermo Convention or Law Number 5 of 2009 concerning the Ratification of the United Nations Convention Against Transnational Organized Crime (United Nations Convention Against Transnational Organized Crime). In addition, the government can review the regulations of other countries that have previously regulated cryptocurrency.

The position of Indonesia which does not recognize cryptocurrency as a legal currency or payment instrument does not clearly classify it in other forms in the Act, causing all transaction activities that use cryptocurrency before being recognized as assets are not taxed. The absence of tax provisions on transaction activities resulted in the lack of control carried out which led to the increasing possibility of cryptocurrency being used as a means of money laundering. It is important for the government to issue tax regulations on cryptocurrency aimed at increasing revenue and as a means of control to prevent the use of cryptocurrency as a means of money laundering.

Another effort is to implement the mechanism of service user service provision and the origin of funds based on Know Your Customer Principles as set out in article 2 paragraph (2) of Bank Indonesia Regulation Number 3/10 / PBI / 2001 concerning Application of Know-how Principles (Know Your Customer Principles) Matters that must be applied in implementing the Know Your Customer Principles by stipulating:

- a. Customer acceptance policy;
- b. Policies and procedures for identifying Customers;
- c. Monitoring policies and procedures for Customer's accounts and transactions.
- d. Risk management policies and procedures are related to the application of the Know Your Customer Principles.

In 2019, Indonesia has issued a regulation that is expected to be a shield for the potential for money laundering in the cryptocurrency model. These rules are completely regulated in Minister of Trade Regulation No. 99 of 2018 concerning the general policy of implementing crypto asset futures trading, then regulated in more specific rules in the form of Regulation of the Republic of Indonesia Commodity Futures Trading Regulatory Agency Number 3 of 2019 concerning Commodities which can be used as the Subject of Futures Contracts, Sharia Derivative Contracts and / or other Derivative Contracts traded on the Futures Exchange with the technical rules namely the Commodity Futures Trading Regulatory Agency Regulation Number 5 of 2019 concerning Technical Provisions for the Implementation of the Crypto Asset in the Exchange Futures that regulate the mechanism of their activities in detail.

However law enforcement efforts, according to Satjipto Rahardjo, law enforcement is essentially the enforcement of ideas or concepts about justice, truth, social usefulness, and so on. So law enforcement is an attempt to realize these ideas and concepts into reality (Soekanto, 2004). So in law enforcement regarding cryptocurrency will not be separated from the commitment of three elements of law enforcement namely; Legal structure, and legal substance, legal culture. All three must go well to produce good law enforcement.

Law enforcement in an effort to prevent potential criminal acts of money laundering in cryptocurrency starts from how the legal structure that exists in law enforcement. In this case, anyone who has a role in cryptocurrency economic activities. Legal structure is also referred to as a structure that determines whether or not the law is implemented properly.

About Friedman's legal structure explains:

“To begin with, the legal system has the structure of a legal system consist of elements of this kind: the number and size of courts; their jurisdiction... Structure also means how the legislature is organized... what procedures the police department follow, and so on. Structure, in way, is a kind of cross section of the legal system...a kind of still photograph, with freezes the action.” (Friedman, 2011)

The legal substance is also the second indicator in the law enforcement process that has an important role. The substance determines the outcome of the legal objective process. The substance also means that the products produced by people who are in one legal purpose, include decisions issued by new rules that are compiled as strategies, and other rules (living law, etc.). As a country that adheres to the civil law system system, Indonesia has issued rules in the form of written rules relating to cryptocurrency as a manifestation of Indonesia's commitment in the realization of legality principles that have the principle that an act is subject to legal sanctions if the act has been regulated in legislation - invitation.

Law enforcement in an effort to prevent the potential crime of money laundering in cryptocurrency starts from how a strict legal culture towards implementing the rules and commitment of citizens to jointly minimize the potential for criminal acts against economic activities in the field of cryptocurrency. Legal culture is closely related to community legal awareness. The higher the legal awareness of the community will create a good legal culture. In simple terms, it can be concluded that the level of community compliance with law is one indicator of the implementation of legal functions.

In an effort to maintain good law enforcement, it is an obligation that the government is obliged to periodically evaluate the law enforcement process against criminal acts of money laundering in this cryptocurrency. Periodic evaluations are carried out in the three indicators above, legal structure, and legal substance, the culture of law is solely aimed at maintaining effective law enforcement and bringing justice and usefulness to citizens.

CONCLUSION

The development of the regulation of cryptocurrency in the world has begun to become a special concern. Some countries such as Japan, China, the United States, and Sweden are examples of countries that officially recognize and regulate cryptocurrency. In Indonesia, regulations regarding Bitcoin are regulated in several other laws and regulations. The regulation is stated in Law Number 7 of 2011 concerning Currency. As the holder of the state financial authority, Bank Indonesia issued several regulations, namely in Bank Indonesia Regulation Number 18/40 / PBI / 2016 concerning the Implementation of Payment Transaction Processing and in Bank Indonesia Regulation Number 19/12 / PBI / 2017 concerning the Implementation of Financial Technology implicitly does not accommodate cryptocurrency in Indonesia. Not only that, Bank Indonesia has the attitude that cryptocurrency cannot be categorized as a currency or a means of payment because it has a high risk and other characteristics that are far from the characteristics that must be owned by a currency.

Cryptocurrency with all its characteristics gives rise to great potential for illegal activities such as money laundering. Cryptocurrency has a negative risk of allowing pseudonymous transactions. Pseudonymous means a pseudonym (a fictitious name used when the person performs a particular social role, assumed for the time) so that it has the potential to be used in money laundering (TPPU) as a result of criminal acts of corruption without knowing who the account owner is. Not only that, the nature of decentralization by using a peer-to-peer network system has made Bank Indonesia unable to access freely, in other words cryptocurrency has no oversight from legitimate state financial authorities.

However, in 2019, the government issued a series of rules as follows: these rules are completely regulated in the Minister of Trade Regulation No. 99 of 2018 concerning general policies for the implementation of crypto asset futures, which are then regulated

more specifically in the form of Republic of Indonesia Commodity Futures Trading Regulatory Agency Number 3 of 2019 concerning Commodities that can be used as Subjects of Futures Contracts, Sharia Derivative Contracts and / or other Derivative Contracts traded on the Futures Exchange with its technical rules namely Commodity Futures Trading Regulatory Agency Regulation No. 5 of 2019 regarding the Technical Provisions for the Implementation of the Crypto Asset Physical Market at the Futures Exchange which regulates the mechanism of its activities in detail. These rules are preventive efforts that regulate the technicality of economic activities in cryptocurrency. Not only that, the regulation also accommodates repressive efforts in the form of threats of sanctions received when committing a crime, especially criminal acts of money laundering and terrorism funding.

Efforts to maintain good law enforcement are an obligation that the government is obliged to periodically evaluate the law enforcement process against criminal acts of money laundering in this cryptocurrency. Periodic evaluations are carried out in the three indicators above, legal structure, and legal substance, the culture of law is solely aimed at maintaining effective law enforcement and bringing justice and usefulness to citizens.

As a systematic step, the government is expected to be able to revise the Law on Anti-Money Laundering in this case Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering in order to be able to accommodate cryptocurrency as a crypto asset capable of acting as an act which has the potential to do (money laundering) TPPU, and regulates in detail how the proof system in Money Laundering in the cryptocurrency model.

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