



Legal Protection for Investors in Bitcoin Transactions on Exchange Platforms

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Abstract

Since the introduction of Bitcoin, the first cryptocurrency, virtual currencies have become a topic of increasing public concern. Bitcoin trading is highly speculative and involves significant risks, as its value can fluctuate dramatically over time, with no single party held accountable for these changes. This study focuses on the protection of investors engaged in Bitcoin transactions on exchange platforms in Indonesia under positive law. The research employs a normative juridical approach, with both primary and secondary data sourced from legal texts, regulations, and relevant literature. The findings indicate that Bitcoin transactions in Indonesia primarily involve the sale of commodity assets through exchange platforms, which function as physical traders of crypto assets. Regulatory frameworks established by futures regulatory bodies play a crucial role in preventing fraud and safeguarding legal rights. According to Indonesian Contract Law, as outlined in the Civil Code (*Burgerlijk Wetboek, BW*), Bitcoin transactions are considered “legal” when they fulfill the contractual conditions specified in Article 1320. Consequently, investors are legally protected from both criminal and civil liabilities due to the validity of these transactions.

Keywords: Bitcoins; Legal Protection; Positive Law; Transaction.

A. INTRODUCTION

The complexity of transactions has been steadily increasing due to the rapid advancements in technology in today’s era of globalization. Modern information technology development is strongly supported by the infrastructure established by both public and private sectors. This technology now pervades every aspect of life, contributing to the rise of electronic commerce, or e-commerce. Information technology encompasses all tools used to produce, store, modify, and apply information. Through the adoption of these technologies, micro, small, and medium-sized enterprises (MSMEs) can now access international markets more effectively.

The emergence of cryptocurrencies—systems utilizing cryptographic techniques to securely process currency exchanges and transmit data—has further expanded the landscape of digital transactions (Ekawati, 2024). Cryptocurrencies are digital currencies that function similarly to traditional money and enable users to make virtual payments (Hasani et al., 2022). Among these, Bitcoin was the first virtual currency to be introduced to the online market. Operating through a peer-to-peer (user-to-user) open payment network, Bitcoin is the most widely recognized form of digital money. It relies on cryptographic methods for its creation, management, and security. The process of acquiring Bitcoin involves “mining,” where new units of the currency are generated, or through purchasing from other users.

Bitcoin’s legitimacy is derived solely from the approval of its user community.



Consequently, Bank Indonesia has warned that the absence of an official administrator or recognized authority makes virtual currencies highly risky and prone to speculation. The value of virtual currencies, such as Bitcoin, and the prices of related transactions are highly volatile, given the lack of an underlying asset. This volatility increases their susceptibility to market bubbles and makes them vulnerable to misuse for money laundering (Rasji & Melia, 2023). Since Bitcoin is not recognized as legal tender in Indonesia, its use as a method of payment is officially prohibited. According to Law No. 7 of 2011, which regulates currency, only the Unitary State of the Republic of Indonesia has the authority to issue the Rupiah. The law mandates that all payments, financial transactions, and other obligations requiring currency payments must be fulfilled using the Rupiah within Indonesia.

Bitcoin trading as a cryptocurrency asset involves significant risks due to its inherent volatility. The price of Bitcoin is highly unstable and can experience substantial fluctuations over time. The value of crypto assets may rise or fall drastically in response to price changes, making it a highly speculative investment (Syafdinan, 2023). A primary risk associated with cryptocurrency trading is the lack of centralized control over exchange rate fluctuations, sales, or transactions in the market. Unlike traditional financial systems, no central bank oversees or stabilizes the value of crypto assets during periods of economic crisis (Habiburrahman et al., 2022). Consequently, cryptocurrency traders bear the full financial risk, as the decline in cryptocurrency adoption can lead to depreciation or even irrelevance of its exchange value.

In Indonesia, the existing Commodity Futures Trading Regulatory Agency (BAPPEBTI) regulations remain inadequate in safeguarding consumers, particularly regarding investor complaint mechanisms. A major concern arises when digital asset transactions involve individuals rather than registered companies, leaving investors with limited legal recourse. This study focuses on the regulatory framework set by BAPPEBTI, emphasizing the need for comprehensive legal protections to ensure investor security and procedural clarity in cases of financial harm due to cybercrimes. Additionally, concerns persist regarding the classification of Bitcoin as a tradable physical cryptocurrency asset, which affects investor perception and understanding of exchange platforms.

B. METHODS

This study employs normative juridical legal research, a method that focuses on literature analysis as well as the examination of legal rules and regulations relevant to the research topic. This approach relies on both primary and secondary legal sources as supporting data. The research is conducted using a theoretical approach, involving a thorough review of substantive legal norms, including laws and regulations.

To analyze the legal framework governing cryptocurrency transactions in Indonesia, this study examines several key regulations issued by the Commodity Futures Trading Supervisory Agency (BAPPEBTI) and other relevant legal provisions. Specifically, Regulation Number 2 of 2019 governs the establishment of a physical commodities market on the Futures Exchange. Additionally, Regulation Number 5 of 2019 and Regulation Number 99 of 2018 provide technical provisions for establishing such markets. The study also considers Law Number 7 of 2011 on Currency, which provides the legal basis for monetary transactions. In relation to

cryptocurrency trading, Regulation Number 2 of 2020 serves as the Second Amendment to Regulation Number 5 of 2019, addressing the Technical Provisions for the Physical Market of Crypto Assets on the Futures Exchange. Furthermore, Regulation Number 9 of 2019 amends the Technical Provisions for Market Implementation set out in Regulation Number 5 of 2019. The regulatory framework for anti-money laundering (AML) measures and counter-terrorism financing (CTF) in the context of the physical commodities market on the Futures Exchange is outlined in Regulation Number 6 of 2020.

The data collected in this study is analyzed in the context of bitcoin transactions and the operation of exchange platforms facilitating the purchase and sale of crypto assets. The information is assessed through a qualitative, subjective evaluation, employing descriptive data analysis to examine the legal aspects of bitcoin trading. This method allows for an interpretation of current legal developments and regulatory conditions governing the subject matter. The study aims to provide a comprehensive narrative analysis of the practical implementation of bitcoin trading regulations in Indonesia. By aligning cryptocurrency transactions with the existing legal framework, this research seeks to ensure that investors receive adequate legal protection.

C. RESULTS AND DISCUSSION

1. Relationship between Agreement and Law in Bitcoin Transactions

Legal relations arise between parties involved in Bitcoin crypto asset transactions conducted on the Futures Exchange. These transactions are regulated by Regulation Number 5 of 2019 of the Commodity Futures Trading Supervisory Agency, which provides Technical Provisions for the Implementation of the Physical Market for Crypto Assets. The parties engaged in crypto asset trading include commodity futures exchanges, futures clearing institutions, crypto asset depository organizations, and crypto asset traders (exchangers).

According to Article 1, Paragraphs (8) and (9) of Regulation Number 5 of 2019, transactions involving crypto assets require the participation of two primary entities: customers and cryptocurrency asset dealers (Uyun & Iskandar, 2023). Cryptocurrency asset dealers act as intermediaries, facilitating transactions between clients. Clients, in this context, refer to individuals or entities engaged in the buying and selling of crypto assets through cryptocurrency trading services on the physical market.

In the exchanger system, transactions cannot be executed solely between buyers and sellers unless they are registered as crypto asset traders. The exchange follows the prevailing market price in determining the value of Bitcoin transactions. Furthermore, under Law No. 8 of 1999 on Consumer Protection, Article 1, Paragraph 3, investors who sell Bitcoin (BTC) coins to other consumers are classified as business actors. The law defines a business actor as any individual or entity, whether legally recognized or not, that establishes, operates, or conducts business activities within the jurisdiction of the Republic of Indonesia, either independently or in collaboration with other parties, through agreements to engage in economic transactions.

Article 1, Paragraph (2) of Law No. 8 of 1999 on Consumer Protection of the Republic of Indonesia defines consumers as individuals who utilize goods or services offered in society for personal benefit, including those who purchase

products for their family, others, or living beings, without the intention of making a profit ([Law Number 8 Year 1999 on Consumer Protection](#)). Based on this legal definition, investors who acquire Bitcoin (BTC) can be classified as consumers.

In the context of consumer protection law, the relationship between the buyer and seller remains distinct and independent. According to Article 1457 of the *Burgerlijk Wetboek* (BW), or the Indonesian Civil Code, a sale and purchase agreement is defined as “a contract in which one party commits to transferring an object, while the other party agrees to provide a specified amount of consideration in return”. This legal framework underpins the contractual nature of Bitcoin transactions.

The essential components of a Bitcoin transaction include the price paid and the Bitcoin itself as the object of exchange. Bitcoin, as a digital asset, holds economic value and is recognized as a legal object under Article 499 of the Civil Code, which classifies anything that can be controlled and owned as material property. Additionally, according to Article 1332 of the Civil Code, agreements can only be established for transferrable goods (*de zaken die in de handel zijn kunnen alleen hun onderwerp van overeenkomsten uitmaken*). Moreover, Article 1, Paragraph 5 of Law No. 7 of 2014 on Trade defines goods as tangible or intangible assets, whether mobile or immovable, that can be exchanged and utilized by consumers or businesses ([Law Number 7 Year 2014 on Trade](#)). This legal recognition further reinforces Bitcoin’s status as a tradeable asset within Indonesia’s legal framework.

Investors or customers who engage in sales transactions must transfer their bitcoin assets or coins, signifying the delivery of the sold goods into the buyer’s ownership and control. This principle aligns with Article 1475 of the Civil Code, which states that delivery constitutes the transfer of the sold goods into the possession and control of the buyer (*de levering is eene overdracht van het verkochte goed in de magt in het bezit van de koper*) ([Hamza & Ngaisah, 2024](#)). In this context, the term “delivery” refers to the transfer of property rights or ownership to the buyer.

Furthermore, considering that the seller has received the agreed-upon payment, as stipulated in Article 1478 of the Civil Code, both parties may establish an agreement in which the seller formally transfers ownership and control of the goods to the buyer. The seller is obligated to fulfill their contractual obligations by ensuring that the buyer gains full ownership and authority over the purchased assets. This fulfillment requires the seller to provide the agreed-upon goods as stipulated in the sale and purchase agreement.

Additionally, under Article 1513 of the Civil Code, investors who purchase goods must make the payment at the time and place specified in the agreement. Unless otherwise agreed upon, the term “price” refers to the total monetary amount, as outlined in Article 211. In line with Article 1514 of the Civil Code, buyers are required to make payment immediately upon delivery unless an alternative arrangement is explicitly stated in the agreement.

Crypto Asset Physical Traders are authorized entities permitted to conduct cryptocurrency asset transactions, either independently or on behalf of clients, as approved by the Head of BAPPEBTI. Their operations must comply with Paragraph 8 of Regulation Number 5 of 2019 issued by the Commodity Futures Trading Supervisory Agency, which establishes technical provisions for the implementation of the physical market for cryptocurrency assets (Crypto Assets) on the Futures

Exchange ([Wimar & Suherman, 2023](#)).

According to Article 1, Paragraph 3 of the Consumer Protection Law (UUPK), business actors include physical traders of cryptocurrency assets who have been granted permission by the Head of BAPPEBTI to facilitate cryptocurrency asset transactions. In addition to their role as authorized traders, they also function as brokers or intermediary traders, ensuring the smooth execution of transactions by bringing together buyers and sellers (investors) for Bitcoin (BTC) transactions. This intermediary function aligns with the definition provided in Article 62 of the Commercial Code, which describes brokers as agents appointed by the government to conduct business on behalf of individuals with whom they have no long-term affiliation, operating for specific earnings or remuneration.

According to Book III of the Civil Code, every individual possesses the right and freedom to enter into agreements, whether orally or in writing, and to determine the terms and conditions of a contract. However, such agreements must adhere to legally binding clauses that establish their validity. In Indonesia, Bitcoin is recognized as a commodity asset with intrinsic value and can be utilized for various purposes; however, it is not classified as a legitimate means of payment ([Rinaldi & Huda, 2016](#)). Bitcoin meets the requirements for buy-and-sell transactions, as investors engaging in such activities must register, provide their account details on the exchange platform, and confirm transaction receipts for deposits, trades, and withdrawals. Consequently, based on its characteristics, Bitcoin may be categorized as either money or property. The fundamental principle governing Bitcoin is that its use is permitted by the government and derives value from market prices established through global exchanges.

2. Legal Protection for Investors on Bitcoin Transactions on Exchange Platforms

Legal protection is implemented by governments to prevent regulatory violations and ensure compliance within various sectors. Such protection is codified in law to safeguard rights and regulate the exercise of responsibilities. The primary purpose of legal frameworks is to deter infractions while establishing clear boundaries for obligations and responsibilities. In the context of cryptocurrency, Regulation Number 5 of 2019 issued by the Commodity Futures Trading Supervisory Agency governs the establishment of the cryptocurrency physical market on the Futures Exchange. This regulation outlines the technical requirements for operating such markets and serves to safeguard Bitcoin and other cryptocurrency asset trading ([Ryan et al., 2024](#)).

In the European Union (EU), Regulation (EU) 2023/1114, known as the Crypto Asset Market Regulation (MiCAR), has introduced a comprehensive legal framework specifically for crypto assets. In contrast, the United Kingdom (UK) has integrated cryptocurrency regulation within its existing legislative structure rather than establishing a separate framework. Under MiCAR, a crypto asset is defined as a digital representation of value or rights that can be electronically stored and transferred via distributed ledger technology or equivalent systems ([Vasudevan et al., 2024](#)). This definition closely aligns with that adopted by UK regulations, reflecting a broad and inclusive approach. MiCAR classifies crypto assets into three main categories: e-money tokens, asset reference tokens, and other crypto assets, each of which is subject to distinct authorization and promotional requirements. Furthermore, the regulation imposes stringent penalties for non-compliance. In the

UK, the unauthorized offering of financial incentives related to crypto assets to domestic clients carries a maximum penalty of two years of imprisonment and/or an unlimited fine.

Cryptocurrency assets have been subject to increasing scrutiny and regulatory measures in recent years. Significant events in the cryptocurrency sector, such as the collapse of FTX and extreme price volatility, have drawn the attention of both the government and the Financial Conduct Authority (FCA). Recognizing the potential risks associated with unregulated digital asset transactions, the government and the FCA have acknowledged the need for comprehensive regulatory frameworks to protect consumers ([Wronka, 2024](#)). The FCA emphasizes the importance of ensuring that consumers receive timely and accurate information to facilitate informed investment decisions. It assumes that investors will be cognizant of the inherent risks associated with cryptocurrency investments. Consequently, various initiatives have been proposed to extend regulatory oversight, primarily focusing on cryptocurrency-related activities ([Baker & McKenzie, 2023](#)).

Over the past six months, the FCA has introduced several regulatory guidelines concerning the marketing of cryptocurrency assets. Most recently, the FCA published non-handbook guidance on compliance with the Financial Promotions (FinProm) regime for crypto assets. These guidelines are built upon the principle that marketing communications must be “fair, clear, and not misleading.” Specifically, Paragraph 2.33 of FG23/3 outlines the key factors the FCA considers when assessing and approving financial promotions related to cryptocurrency assets. To ensure compliance, businesses must adhere to the following principles ([McMeel & Virgo, 2001](#)):

- 1) Marketing communications must be clear, concise, and unambiguous.
- 2) Consumers must be fully aware of the potential risks associated with cryptocurrency investments.
- 3) The presentation of risks must be as prominent as the potential benefits, ensuring a well-balanced promotional approach.
- 4) Any claims regarding potential benefits must not be exaggerated.
- 5) All relevant information must be disclosed transparently.
- 6) Statements made within promotions must be accurate and substantiated by credible evidence.
- 7) Promotional materials must rely on reasonable assumptions, supported by current data, and must include a clear risk warning that past performance is not a reliable indicator of future outcomes, particularly when historical or projected performance data is presented.
- 8) All costs, fees, and charges associated with the advertised products or services must be clearly specified.
- 9) Effective systems and controls must be in place to ensure compliance with promotional guidelines.

Common promotional strategies used in the cryptocurrency industry include incentives such as “refer a friend” programs and offering “free” Bitcoin as a reward for account creation or meeting a specified investment threshold. Additionally, firms employ persuasive interactions with potential clients, categorized as invites, to encourage engagement. However, under the new regulations, cryptocurrency firms

will face significant challenges in executing marketing campaigns. These restrictions will limit the scope of promotional content available to UK clients ([Dwivedi et al., 2022](#)).

The Financial Conduct Authority (FCA) has several enforcement mechanisms to ensure compliance, including:

- 1) Requesting the removal of compromised websites;
- 2) Adding companies to the FCA's warning list; and
- 3) Imposing restrictions on businesses to prevent misleading advertisements ([Bank of England, 2024](#)).

Despite these regulatory constraints, issuers of all three categories of cryptocurrency assets are required to submit "white papers" to the appropriate authorities ([Pastor Sempere, 2025](#)). These documents must comprehensively outline the rights, responsibilities, and features associated with cryptocurrency assets. In line with UK regulatory standards, white papers should maintain a neutral and transparent tone, ensuring clarity and the absence of misleading content. Importantly, they must refrain from speculating on the potential value of cryptocurrency assets.

According to the Markets in Crypto-Assets Regulation (MiCAR), this category of cryptocurrency assets functions as a payment method, utilizing a single fiat currency to maintain value stability. Issuers of all three categories of crypto assets are mandated to publish their white papers on their websites to ensure transparency, similar to the requirements for asset-referenced tokens. This regulation facilitates public access to information on e-money tokens within the European Union (EU). Furthermore, all marketing materials must align with the contents of the white paper, ensuring clarity and consistency. These materials should also provide details on how potential investors can access the document. Additionally, issuers are required to adhere to ethical standards by operating in a fair, honest, and professional manner.

Both regulatory frameworks are expected to enhance consumer protection significantly. The inclusion of cryptocurrency assets within the UK's existing financial promotion regulations aims to increase consumer awareness of the potential risks associated with these assets and to restrict their promotion to appropriate entities ([Chason, n.d.](#)). The Financial Conduct Authority (FCA) advises that individuals should only invest in cryptocurrency assets if they fully understand the associated risks and have the financial capacity to absorb potential losses. A key indicator of regulatory success is the reduction in the number of retail investors exhibiting unsuitable risk tolerance or vulnerability traits. Similarly, the EU's regulatory approach emphasizes the need for issuers to consider consumer vulnerabilities by providing sufficient information, enabling investors to make informed decisions regarding the profitability and risks of investing in cryptocurrency assets.

A key determinant of effective regulatory enforcement is the ability of regulators to implement efficient measures, particularly within the rapidly evolving social media landscape. In this environment, non-compliant advertisements can spread at a significantly faster rate than regulatory actions aimed at their removal. Additionally, promotional content may originate from jurisdictions where enforcement measures are difficult to implement, thereby complicating regulatory efforts ([Vese, 2022](#)). One approach legislators can adopt is issuing public

announcements to inform consumers about businesses engaging in illegal marketing practices. However, the extent to which consumers receive and act upon such notifications remains uncertain. Despite these challenges, the governments of both the UK and the EU agree that promotional language aimed at ensuring compliance must be neutral, transparent, and easily comprehensible. Consequently, given the alignment of promotional standards between the two regulatory regimes, it is likely that advertisements permitted under one system will also be permissible under the other.

The broader impact of these regulatory measures on the cryptocurrency industry remains an area of interest. The Financial Conduct Authority (FCA) seeks to establish a level playing field by incorporating cryptocurrency assets into financial promotion laws, thereby ensuring that international businesses are held to the same advertising standards as domestic entities. This approach is intended to enhance competition while mitigating the risk of consumers being misled by overly optimistic incentives or promotional content from non-compliant foreign entities. A significant concern highlighted by the FCA is the limited engagement of several unregistered foreign cryptocurrency businesses in the consultation process, raising questions about their commitment to compliance. Furthermore, businesses intending to promote cryptocurrency assets within the UK and the EU must navigate two regulatory frameworks. Although both jurisdictions maintain nearly identical standards for promotional content, companies may face challenges related to administrative burdens and compliance costs associated with adhering to the distinct legal procedures mandated by each regime.

In its most recent warning letter dated September 21, 2023, the FCA emphasized that firms must comply with the newly implemented regulations immediately. The agency further stated that non-compliance would result in criminal liability for both individuals and organizations. However, the extent and stringency of FCA enforcement actions against non-compliant entities remain uncertain ([Parker & Nielsen, 2008](#)).

Notably, within the first 24 hours of the regulation's enforcement, the FCA issued 146 warnings, temporarily disrupting the agency's operations. This swift regulatory response underscores the seriousness of compliance expectations. Given the potential criminal consequences associated with non-compliance, it is crucial for businesses and individuals involved in the promotion of crypto assets to fully comprehend and adhere to their regulatory obligations.

This form of legal protection encompasses several key provisions as outlined ([Putra & Priyanto, 2024](#)):

- (1) Requirements for Crypto Asset Traders (Article 2, Paragraph 1):
 - a) Adherence to good corporate governance principles to ensure that Futures Exchange Members, Crypto Asset Physical Traders, and Crypto Asset Customers obtain fair and appropriate pricing.
 - b) Establishment of the crypto asset market to provide transparent price formation, in addition to ensuring physical delivery and price reference mechanisms on the Futures Exchange.
 - c) Provision of legal certainty for stakeholders in the crypto asset sector.
 - d) Implementation of crypto asset protection measures for customers.
 - e) Facilitation of creativity, progress, and development in the crypto asset

trading industry.

- (2) Regulatory Compliance for Crypto Assets (Article 3, Paragraph 1):
Cryptocurrency assets intended for trading must comply with the regulations stipulated in this Agency Regulation.
- (3) Eligibility Criteria for Crypto Asset Trading (Article 3, Paragraph 2):
Cryptocurrency assets must meet at least one of the following conditions to be eligible for trading:
 - a) Utilization of distributed ledger technology;
 - b) Classification as cryptocurrency or cryptocurrency-backed assets (commonly referred to as “crypto-backed assets”);
 - c) Inclusion in the top 500 cryptocurrency assets based on market value;
 - d) Active participation in major global cryptocurrency asset exchange transactions;
 - e) Contribution to economic benefits, including taxation, advancements in the informatics sector, and enhancement of digital expertise (digital talent);
 - f) Completion of risk assessments, covering potential threats such as terrorism financing, money laundering, and the proliferation of weapons of mass destruction (WMDs).
- (4) Security Measures for Customer Crypto Assets (Article 15):
 - a) Article 15, Paragraph 1 mandates that physical crypto asset traders ensure the security of customer-held crypto assets.
 - b) Article 15, Paragraph 2 stipulates that at least 70% of all crypto assets must be stored offline (cold storage) by cryptocurrency asset traders to enhance security and mitigate risks.

The Technical Provisions for the Implementation of the Physical Market of Crypto Assets on the Futures Exchange, as outlined in the Regulation of the BAPPEBTI Number 9 of 2019, have introduced enhanced preventive legal protections for transactions involving bitcoin as a crypto asset. This regulation revises BAPPEBTI Regulation Number 5 of 2019, which initially governed the Technical Provisions for the Implementation of the Physical Market of Crypto Assets on the Futures Exchange ([Tomasoa et al., 2023](#)). The key amendments introduced under this regulation are as follows:

- (1) Amendment to Article 5 (Article 1, Paragraph 1): The revised provision mandates that every physical crypto asset trader must implement a reporting mechanism that records trading transactions. This reporting must be conducted by an independent institution employing professionals with Certified Information Systems Auditor (CISA) certification, accredited by BAPPEBTI. This measure aims to enhance transparency and oversight within the crypto asset trading framework.
- (2) Amendment to Article 6 (Article 1, Paragraph 2): The regulation further stipulates that crypto asset traders must possess a reliable electronic guarantor and settlement system. Additionally, these systems must be integrated with futures exchanges, crypto asset traders, and crypto asset depository management institutions. This amendment ensures a more

structured and secure trading environment, minimizing potential risks associated with transaction settlements.

- (3) Amendment to Article 8 (Article 1, Paragraph 3): Crypto asset traders must meet stringent compliance and feasibility requirements. The revised provision states that shareholders, controllers, members of the Board of Commissioners, and prospective members of the Board of Directors must undergo BAPPEBTI's compliance and feasibility assessment, commonly referred to as the fit and proper test. Furthermore, Article 8, Letter (a) requires physical crypto asset traders to meet specific financial requirements, including maintaining a debt-to-equity ratio of 2:1. In addition, the amendment introduces the requirement for standard operating procedures (SOPs) covering critical aspects of business operations. These SOPs must encompass internal control and supervision, transaction execution, marketing and acceptance of crypto assets, and compliance with anti-money laundering (AML) regulations. Moreover, they must align with international efforts to prevent the financing of terrorism and the proliferation of weapons of mass destruction. These regulatory measures collectively aim to fortify the legal framework governing the physical market of crypto assets, ensuring robust compliance and risk mitigation within Indonesia's digital asset trading ecosystem.

The Commodity Futures Trading Supervisory Agency's Regulation Number 6 of 2020 establishes the Anti-Money Laundering and Prevention of Terrorism Financing Program, specifically concerning the physical commodity market regulated by the Futures Exchange. This regulation aims to prevent the infiltration of funds derived from money laundering, terrorist financing, and the proliferation of weapons of mass destruction (WMDs) into crypto asset transactions. The overarching objective is to ensure an orderly, fair, efficient, effective, and transparent futures trading environment, fostering healthy business competition while mitigating financial crimes. Furthermore, this regulation aligns with international best practices, particularly the Financial Action Task Force (FATF) standards, which provide a global framework for combating money laundering and terrorism financing.

Article 2 of the regulation outlines the BAPPEBTI requirements for the establishment of physical marketplaces ([Setiawan et al., 2023](#)). These requirements include:

- (1) Implementation of an anti-money laundering program to prevent terrorism financing in futures brokerage firms.
- (2) Guidelines mandating the immediate termination of funds by futures brokers if they belong to individuals or entities listed as terrorist organizations or suspected terrorists.
- (3) A mechanism for the immediate blocking of funds owned or controlled by individuals or entities identified as involved in the proliferation of WMDs.

Preventive protection for investors is governed by Law Number 8 of 1999, which aligns with the regulatory framework established by BAPPEBTI ([Sudiyatna, 2022](#)). This legal framework provides several key provisions to safeguard investors:

- (1) Article 9, Paragraph (1): Business actors are prohibited from using misleading terms such as "safe" when offering, marketing, or advertising a commodity or service. They must not claim that a product is harmless, risk-

free, or devoid of side effects without providing complete and accurate information. Additionally, they are restricted from making uncertain or misleading promises regarding the goods or services they offer.

- (2) Article 10: Business entities are not permitted to promote, advertise, or offer goods and services using inaccurate, deceptive, or misleading information regarding the condition, responsibility, warranty, rights, or compensation associated with such products or services.
- (3) Article 16: Companies offering goods or services through pre-orders must fulfill their obligations as agreed upon. They are prohibited from disregarding the order, failing to meet the agreed-upon settlement period, or neglecting the promised service or product delivery.
- (4) Article 19, Paragraph (1): Business actors are required to compensate customers in cases where the products or services they provide are defective, contaminated, or lost. This provision ensures that consumer rights are upheld and that businesses are held accountable for the quality and integrity of their offerings.

Repressive legal protection represents the most stringent form of legal safeguard, encompassing penalties such as fines, imprisonment, and other sanctions imposed in the event of disputes. In the context of Bitcoin transactions as crypto assets within futures exchanges, repressive legal protection ensures that parties involved in such transactions are safeguarded against financial losses. The types of losses and mechanisms for dispute resolution in Bitcoin transactions can be categorized as follows ([Julianti & Apriani, 2021](#)):

1) Losses in Bitcoin Crypto Asset Transactions

Given that Bitcoin transactions operate over the internet, they are susceptible to financial crimes and fraudulent activities. Instances of criminal offenses in crypto asset transactions may include cybercrimes such as cryptographic fraud and misappropriation of funds. These offenses are regulated under the Indonesian Criminal Code (KUHP) and Law Number 11 of 2008 concerning Information and Electronic Transactions (UU ITE).

a) Online Scam and Fraud

In Indonesia, Bitcoin is a widely recognized crypto asset. Consequently, many individuals exploit Bitcoin as a medium for fraudulent activities. The primary motivation behind such activities is commonly referred to as an online scam or simply fraud. An online scam is a form of deception that utilizes internet networks to mislead or defraud individuals for specific benefits or advantages. While financial gain is a common objective, online scams can also involve stealing sensitive information or engaging in identity theft.

Bitcoin transactions, as a form of cryptocurrency-based electronic transactions, are particularly susceptible to fraudulent schemes. Due to the decentralized and pseudonymous nature of Bitcoin, these transactions lack centralized regulatory oversight, making them attractive to cybercriminals. Consequently, legal measures, including provisions in the Criminal Code (KUHP) and the Electronic Information and Transactions Law (UU ITE), may be applied to cases of online fraud.

Fraud is legally defined in Article 378 of the Criminal Code (KUHP)

as:

“Using a false identity, false status, deception, or a series of fraudulent acts, anyone who, with the intention of unlawfully benefiting themselves or others, coerces another person into surrendering property, waiving a debt, or threatening criminal prosecution for financial gain.”

b) Hacking.

Hacking refers to unauthorized access to another person’s system without causing damage or alteration (Kelrey & Muzaki, 2019). In the context of Bitcoin transactions, digital wallets are used for cryptocurrency storage and transactions, which are often linked to the internet (Hariyanto, 2022). As the popularity of Bitcoin investments continues to rise, the increasing value of Bitcoin (BTC) makes digital wallets more vulnerable to cyber threats, particularly hacking and digital theft.

To address cybersecurity concerns, Law Number 11 of 2008 on Electronic Information and Transactions (UU ITE) regulates unauthorized access to electronic systems. Key legal provisions include:

- (1) Article 30 stipulates that individuals who intentionally access another person’s computer system without authorization may face a maximum penalty of six (6) years of imprisonment and/or a fine of up to Rp 600,000,000 (six hundred million rupiah).
- (2) Article 30 Paragraph (3) and Article 46 Paragraph (3) impose a stricter penalty of eight (8) years of imprisonment and a fine of Rp 800,000,000 (eight hundred million rupiah) for unauthorized access that involves security breaches, intrusion, or system violations.

c) Embezzlement

Embezzlement can occur in transactions involving Bitcoin as a crypto asset, primarily because investors’ Bitcoin funds or assets are stored in customer wallet accounts. These wallets are linked to the exchanger, which is operated by the physical crypto asset trader. According to Article 372 of the Criminal Code, embezzlement is defined as the act of taking, in whole or in part, another person’s property by someone who has control over the goods, not due to an act of theft, and is punishable by up to four years of imprisonment or a fine of nine hundred rupiah.

Consequently, criminal sanctions may be imposed if the elements of embezzlement, as outlined in Articles 372 and 374 of the Criminal Code, are met (Lestari, 2024). Crypto asset transactions can lead to civil losses, particularly in the following situations (Dharma et al., 2024):

- (1) Consequences of Unlawful Acts: A person who intentionally commits an act that violates the rights of others, legal obligations, or moral norms, resulting in harm to another party, is considered to have committed an unlawful act. In the context of crypto asset transactions, illegal acts such as hacking, online fraud, and embezzlement of funds contribute to financial losses.

(2) Consequences of Default: If one party in a crypto asset transaction fails to fulfill their obligations, it constitutes a default. In Bitcoin transactions, the assets involved-BTC coins-and the agreed-upon price form the core elements of the transaction. According to Article 1238 of the Civil Code, default occurs when a debtor, after receiving a warning or official notice, fails to fulfill their obligations within the specified timeframe. In the case of Bitcoin transactions, the seller is required to deliver the BTC coins that have been purchased, while the buyer is obligated to provide the agreed payment. Therefore, under the terms of the sales agreement, the seller must transfer the BTC coins in exchange for payment, and the buyer must provide payment in exchange for the BTC coins. A default occurs when one party fails to fulfill these obligations, potentially leading to financial losses.

2) Settlement of Disagreements in Transactions Involving Bitcoin Crypto Assets

Business transactions utilizing Bitcoin as a crypto asset are increasingly common. However, given the involvement of multiple parties with aligned interests, disputes and disagreements in such transactions are inevitable. Business disputes can generally be resolved through litigation or non-litigation mechanisms. In the context of Bitcoin transactions, the Dispute Settlement Agency (BPSK) serves as an avenue for resolving disputes, as investors or customers are considered consumers under consumer protection regulations. If consumers believe they have been disadvantaged by a company, they have the right to seek assistance from BPSK.

Following a consultation, BPSK may recommend resolution through negotiation, conciliation, mediation, or arbitration. Additionally, the Commodity Futures Trading Arbitration Agency (BAKTI) and BPSK play key roles in determining whether conciliation, mediation, or arbitration should be employed to settle consumer claims. This is supported by Article 52 of Law No. 8 of 1999 on Consumer Protection, which explicitly outlines mechanisms for resolving disputes between consumers and business entities (Yulistyaputri & Lestarini, 2023).

Furthermore, Article 9 of Law No. 11 of 2008 on Electronic Information and Transactions mandates ex-ante protection, requiring all business entities engaged in electronic transactions to provide accurate and comprehensive information regarding contractual terms, manufacturers, and the products being offered. In relation to contractual risks and obligations, Article 1244 of the Indonesian Civil Code stipulates that if a buyer cannot prove that the contractual engagement was not executed or was delayed due to legitimate circumstances, the seller may be subject to penalties, including compensation and interest.

D. CONCLUSION

Bitcoin exchange service providers are companies authorized Commodity Futures Trading Regulatory Agency (BAPPEBTI) under BAPPEBTI Regulation Number 5 of 2019, Article 1, Paragraph (6). These service providers facilitate various crypto asset transactions, including exchanging crypto assets for fiat currency (Indonesian Rupiah, IDR), trading one crypto asset for another, and setting buy-and-sell price quotations.

The Indonesian futures exchange follows a structured process for trading cryptocurrency assets. First, prospective customers must complete the Know Your Customer (KYC) verification process. Once customers deposit funds or assets on the exchange platform, Crypto Asset Commodity Traders store these assets in Hot Wallets and Cold Wallets under custodial management. Next, financial records between Crypto Asset Commodity Traders and Clearing Futures Institutions are maintained, including records of Bitcoin asset ownership. Finally, transaction data from Crypto Asset Commodity Traders, the Futures Exchange, Storage Facility Management, and Clearing Futures Institutions are collected to ensure market oversight and provide price reference data.

Article 2, Paragraph (1) of BAPPEBTI Regulation Number 5 of 2019, which outlines the Technical Provisions for the Implementation of the Physical Market of Crypto Assets on the Futures Exchange, mandates that crypto asset traders must comprehend the objectives of establishing the Crypto Asset Market and adhere to corporate governance principles. The commodities futures market offers legal protection for investors engaging in Bitcoin asset transactions. Under Indonesian Contract Law (*Burgerlijk Wetboek, BW*), Bitcoin transactions in the futures exchange are legally recognized. The principles governing these transactions include *pacta sunt servanda* (agreements must be kept), good faith, consensualism, and freedom of contract. Furthermore, the fundamental contractual terms outlined in Article 1320 of the Civil Code remain applicable and unchanged in cryptocurrency transactions.

Dispute resolution procedures for Bitcoin crypto asset transactions are regulated under Article 22 of BAPPEBTI Regulation Number 5 of 2019. Disputes arising from cryptocurrency transactions are primarily resolved through consensus-based discussions. If an agreement cannot be reached, the dispute may be escalated to the District Court or the Commodity Futures Trading Arbitration Agency (BAKTI), in accordance with the terms agreed upon by the parties involved.

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