

Cryptocurrency's Control in the Misuse of Money Laundering Acts as an Effort to Maintain the Resilience and Security of the State

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Abstracts :

Along with the times, the latest transaction system emerged using Cryptocurrency in its development is used as a digital payment instrument. The problem discussed in this research is the opportunity to misuse Cryptocurrency as a digital currency that can be used as a form of Money Laundering crime. This research uses the normative legal research method. The author uses primary, secondary, and tertiary legal materials using a qualitative approach. This research also uses the principle of state responsibility to protect as a knife of analysis. Thus the regulations regarding handling money laundering in the form of crypto currency investment must be upheld and improve the quality of human resources in the hope of becoming part of the savior of state money from money laundering through the ability of its virtual team.

Keyword : Cryptocurrency, Digital Currency, Money Landering Crime

Abstrak :

Seiring dengan perkembangan zaman muncul sistem transaksi terbaru menggunakan Cryptocurrency dalam perkembangannya digunakan sebagai alat pembayaran digital. Permasalahan yang dibahas dalam penelitian ini adalah adanya peluang penyalahgunaan Cryptocurrency sebagai mata uang digital yang dapat digunakan sebagai bentuk kejahatan Money Laundering . Penelitian ini menggunakan metode penelitian hukum normatif. Penulis menggunakan bahan hukum primer, sekunder, maupun tersier dengan menggunakan pendekatan kualitatif. Penelitian ini juga menggunakan prinsip tanggung jawab negara untuk melindungi sebagai pisau analisis. Dengan demikian regulasi mengenai penanganan pencucian uang dalam bentuk investasi cryptocurrency harus diadakan dan perbaikan kualitas sumber daya manusia dengan harapan menjadi bagian dari penyelamat uang negara dari pencucian uang melalui kemampuan tim sibernya.

Kata Kunci : Cryptocurrency, Pembayaran Digital, Tindak Pidana Pencucian Uang

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1. Preliminary

Nowadays human life is inseparable from Natural Science and its applied science in the form of technology in various fields. Technology or applied science contributes its discoveries to new principles or laws. Article 4 of Act Number 19 of 2016 amendments to Act Number 11 of 2008 concerning Information and Electronic transactions determine that the use of information technology and electronic transactions is carried out with the aim to:

1. Educating the nation as part of the world information society;
2. Developing trade and the national economy performance order to improve the effectiveness and efficiency of public services;
3. Opens the widest opportunity to everyone to promote thinking and skills in the use and utilization of information technology optimally and responsibly; and
4. Provide a sense of security, justice and legal certainty for users and operators of information technology.

Technology developments, one of which is the development of information technology, especially the internet with its rapid advancement that is increasingly being used by both the public and the banking industry in order to improve the efficiency of operational activities and the quality of bank services to customers, such as *e-banking* or electronic banking services¹. The development of models and accessibility in the world of technology and the internet, making various transactions appear in it. One phenomenon that has become a hot topic lately is the emergence of digital cryptocurrenc, its use is also decentralized, or can be used without central bank authorization in each country. Cryptocurrency or digital currency can be a transaction tool, because its value is very calculated in the cyber world in the payment of goods from legal to illegal. Based on this, the risk will be discussed as *cryptocurrency* as a forum and facility that facilitates transactions for the purpose of *money laundering*.

In this case, Cryptocurrency is a form of digital currency that has been defined by FATF as a digital representation of exchange rates that can be traded virtually and functions as a medium of exchange; and / or one account unit; and / or depositors, but do not have legal tender status in any jurisdiction. In addition, transactions carried out using Cryptocurrency are still defined as forms of financial transactions. Cryptocurrency as a digital currency, can still be mentioned in the explanation of financial transactions in Article 1 Number 4 of Law No. 8 of 2010, which refers to the receipt, transfer, deposit, withdrawal, overbooking, payment, grant, donation, deposit, and / or exchange of a sum of money or other actions and / or activities related to money.

In the context of Money Laundering, technology with financial technology such as Cryptocurrency can facilitate these crimes. The transfer of money to online banking and technology that allows remote desktops makes maneuvering and transferring funds from account to account much more popular with money launderers. Based on this, Cryptocurrency can be one of the means of financial technology that can risk the occurrence of Money Laundering crimes. Based on the description above, the researcher intends to further study "Cryptocurrency Control in the Abuse of Money Laundering Acts as an Effort to Maintain State Security and Security".

The difference with previous research is that research on controlling Cryptocurrency in Indonesia is still very minimal, because this virtual currency country is literally not yet used in general. Therefore, the discussion on controlling the use of

¹ Muhammad Djumhana. (2012). *Hukum Perbankan di Indonesia*. Bandung: Citra Aditya Bakti, p. 95

Cryptocurrency to anticipate the expansion of corruption cases in Indonesia. The potential for corruption in the latest technology is wide open, this is due to the lack of regulations concerning the control of this currency.

2. Research Methods

This study uses a qualitative approach that is research used to examine natural conditions of objects where the researcher is a key instrument. This qualitative research understands social phenomena from the perspective of the participants². In qualitative research, the type of data in the form of phenomena narrated textually, analysis in the form of identification of important themes, research scope in the form of attention to the theme and its broad nature, the advantage lies in depicting narrative samples in depth and rich, while weaknesses lie in small samples can not be generalized to the population.

The method used in this research approach is a qualitative method approach. A qualitative method approach is a method that reveals facts in depth based on the scientific characteristics of individuals or groups to understand and uncover something behind a phenomenon.

While this type of research is descriptive research, namely the problem solving procedure that is investigated by describing the state of the subject or object in the study can be in the form of people, institutions, communities and others who are currently based on facts that appear or are. In the Research Method Sample Booklet, the descriptive method is a method of examining the status of a group of people, an object, a set of conditions, a system of thought or a class of events at the present time. The purpose of this descriptive study is to make a systematic, factual and accurate description of the facts, properties and relationships between the phenomena investigated. Or it can be said that descriptive research is research that seeks to describe a symptom, an event that is happening at the moment or an actual problem³.

3. Result and Discussion

3.1 Definition of Cryptocurrency

Cryptocurrency is a virtual currency that is used as an alternative currency that the currency is produced and traded through a cryptographic process. Most of the cryptocurrency is decentralized in computer-based networks and is based on peer-to-peer technology and open source cryptography that does not depend on central authorities such as central banks or other administrative institutions. Cryptocurrency is a new technology in the financial system. Cryptocurrency is a digital asset that functions as a medium of exchange using cryptography as its security system⁴. It is said digital because cryptocurrency has no physical form, but this currency still has value because it can be used as a means of payment. Furthermore, cryptocurrency is also defined as a new revolution of similar types of currencies such as: other

² Sugiyono. (2005). *Memahami Penelitian Kualitatif*. Bandung: CV. Alfabeta, p. 6

³ Naziz, M. (1998). *Metode Penelitian*, Jakarta: Ghalia Indonesia, p. 105-106

⁴ Usman W., & Chohan, M.B.A. (2017). *Cryptocurrencies: A Brief Thematic Review*. Canberra: University of New South Wales

currencies that have value because people consider it valuable. Cryptocurrency can also be defined as a peer to peer transaction that facilitates digital money exchange⁵.

The term "*Crypto*" in Greek means secret or hidden. As the name implies, cryptocurrency uses a cryptographic mechanism that stores all transaction and balance sheet data. Li and Wang (2016) explain that crypto currency is the development of a digital financial system that is composed of cryptological computing and a decentralized system. Based on the definitions mentioned above it can be interpreted that cryptocurrency is a currency that has no real form and only exists in cyberspace, where cryptocurrency is a type of digital currency that uses cryptographic principles whose value is determined by the supply and demand of its users.

The innovations generated in the payment system make it easier for users to access them. Technological developments have an impact on changing the pattern of payment systems. All forms of transaction recording that were previously in physical form have been changed to electronic forms. This makes the transaction process faster and reduces operational errors. In terms of development there are several indicators to measure it:

1. The Number of Cryptocurrency Transactions
Within each country has a number of different transactions. The number of transactions in a country is in line with how many users there are, so it can be said that the more users there are, the higher the number of transactions.
2. Movement of User Value
Against the movement of its value if more users there will be more requests and offers. The number of cryptocurrency users in each country is different, so judging from the movement of the number of users in a country it can be indicated that cryptocurrency in that country can and is increasingly accepted so that it can be legalized in a government regulation.
3. Cryptocurrency Trading
Acceptance of cryptocurrency in a country cannot be separated from the high cryptocurrency trading, which is a cryptocurrency exchange activity against domestic currencies or vice versa. These activities take place in the cryptocurrency market where cryptocurrency is exchanged with other cryptocurrency or even with fiat money.
4. Cryptocurrency Prices
In a cryptocurrency exchange market there are prices whose values can be easily changed. The price is logically influenced by market acceptance and supply. The price of cryptocurrency is the value that must be paid to get one unit of cryptocurrency.

⁵ DeVries, P.D. (2016). An Analysis of Cryptocurrency, Bitcoin, and the Future. International Journal of Business Management and Commerce. 1(2), p. 7

No	Name	Market Cap	Price	Circulating Supply	Volume (24h)
1	 Bitcoin	\$130,017,912,810	\$7,101.49	18,308,537 BTC	\$41,109,948,093
2	 Ethereum	\$17,170,983,052	\$155.53	110,406,435 ETH	\$16,976,470,292
3	 XRP	\$8,273,926,870	\$0.188319	43,935,664,307 XRP *	\$2,181,196,618
4	 Tether	\$6,182,891,742	\$1.00	6,166,094,190 USDT *	\$51,213,797,250
5	 Bitcoin Cash	\$4,472,167,153	\$243.43	18,371,475 BCH	\$3,911,602,200
6	 Bitcoin SV	\$3,339,960,902	\$181.83	18,368,715 BSV	\$2,327,401,646
7	 Litecoin	\$2,743,777,723	\$42.57	64,448,852 LTC	\$3,835,600,696
8	 EOS	\$2,323,742,119	\$2.52	921,560,640 EOS *	\$3,264,116,131
9	 Binance Coin	\$2,217,949,695	\$14.26	155,536,713 BNB *	\$447,901,984
10	 Tezos	\$1,239,650,903	\$1.76	705,020,740 XTZ *	\$99,575,368

3.2 Definition of Money Laundering

Emergence of various forms of crime lately, shows that crime has developed, including money laundering crimes. Money laundering is one type of economic crime that makes banks or non-banks, as a means to commit money laundering crimes. At this time money laundering has been included in the group activities of transnational crime organizations strengthened by UN document No. E / CONF.88 / 2 dated 18 August 1994 stated that Activities of Transnational Criminal Organizations including the drug trafficking industry, smuggling of illegal migrants, arms trafficking, trafficking in nuclear material, transnational criminal organizations and terrorism, trafficking in women and children, trafficking in body parts, theft and smuggling of vehicles, money laundering, and etc. (Transnational Criminal Organization activities that include the drug trafficking industry, illegal migrant smuggling, arms trafficking, nuclear material trade, transnational crime and terrorism organizations, trafficking in women and children, trafficking in body parts, theft and smuggling of vehicles, money laundering, etc.)

The term money laundering or money laundering was first used as a terminology of crime in the United States in the 1930s where in this term refers to the act of mafia in processing the proceeds of crime to be mixed with legitimate businesses with the aim of making the proceeds of crime into "clean" money (seen as money from legal business results)⁶. However, according to Jeffrey Robinson, the mafia myth is only a figment of the picture while the term money laundering itself is used because it accurately describes the process that occurs, namely illegitimate money placed through a cycle of clean business transactions, so that the results that

⁶ Garnasih Y. (2003). *Kriminalisasi Pencucian Uang (Money Laundering)*. Dissertation in the Postgraduate Doctoral Program in Legal Studies. Jakarta: Universitas Indonesia, p. 45

come out into legitimate money (Robinson, 2004: 6). According to *Black Law Dictionary*, *money laundering* can be interpreted as a term used to describe the investment or the transfer of the proceeds of corruption, drug dealing, and illegal sources other in the channel that are legal or valid so that the source of the original can not be traced.

The term money laundering comes from English, *money laundering* means bleaching of proceeds of crime. In general, the term *money laundering* does not have a general definition because both developed and developing countries each have their own definitions based on different points of view and priorities. Indonesian legal experts say that money laundering is a process or act that aims to conceal or disguise the origin of money or assets obtained from criminal activities which are then converted into assets that appear to originate from legitimate activities⁷.

In its development, increasingly complex Money Laundering Crimes occur so that it crosses the boundaries of jurisdiction, and by using increasingly varied modes. To overcome this, the *Financial Action Task Force (FATF) on Money Laundering* has issued international standard jurisdictions that serve as benchmarks for each country in their efforts to prevent and eradicate the crime of money laundering and the crime of financing terrorism, known as the *Revised 40 Recommendations and 9 Special Recommendations (Revised 40 + 9) FATF*.

In the prevention and eradication of the crime of money laundering it is necessary to do regional and international cooperation. So in addressing this matter, Indonesia is currently using the legal rules of Money Laundering Acts referring to Articles 3, 4, and 5, Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes. In Article 3 it states:

"Every people who places, transfers, spends, pays, gives, entrusts, brings abroad, changes forms, exchanges with currency or securities or other acts of assets that he knows or deserves is a criminal offense with the objective concealing or disguising the origin of assets in a criminal offense for a maximum of 20 (twenty) years in prison and a maximum fine of Rp.10,000,000,000 (ten billion rupiah) "

Article 4 states that

"Every people who conceals or disguises the origin, source, location, designation, transfer of rights, or the actual ownership of assets he knows or deserves is a criminal offense of money laundering with a maximum imprisonment of 20 (twenty) years and a maximum fine of Rp.5,000,000,000 (five billion rupiah) ".

Article 5 states that

"Every people who receives or controls the placement, transfer, payment of a grant, donation, safekeeping, exchange, or use assets that are known to result from a criminal offense shall be subject to a maximum imprisonment of 5 (five) years and a maximum fine of Rp. 1,000,000,000 (one billion rupiah)"

⁷ Sutedi, A. (2008). *Tindakan Pidana Pencucian Uang*, Bandung: Citra Aditya Bakti, p. 12

In an effort to combat organized crime, which focuses on laundering, Indonesia, in addition to being part of the international community and also in the context of fulfilling appeal FATF's as stated in *The Forty Recommendation* which is then the process of money laundering, is more technically regulated in Head of PPATK Decree No. 2/1 / KEP.PPATK / 2003 concerning general guidelines for the prevention and eradication of money laundering crimes for financial service providers, on May 9, 2003, namely:

- a. Placement namely efforts to place cash originating from criminal acts into the financial system or efforts to place demand deposits (checks, bank notes, certificates of deposit, etc.) back into the financial system, especially the banking system. Cash smuggling from one country to another. Financing a business that seems legitimate or related to a legitimate business in the form of financing or credit, thereby changing cash. Then buy valuables that are of high value for personal use, buy expensive prizes as awards or gifts to other parties, the payment of which is made through a Financial Service Provider⁸.
- b. Transfer (*layering*), which is a criminal act through several stages of financial transactions to hide or disguise the origin of funds by attempting to transfer assets originating from criminal acts (*dirty money*) that have been successfully placed on Financial Service Providers (especially banks) as a result of placement efforts (*placement*) to other Financial Service Providers. In this activity there is a process of transferring funds from certain accounts or locations as a result of placements to other places through a series of complex transactions designed to disguise and eliminate the source of the funds⁹.
- c. Using assets (*integration*), which is an effort to use assets originating from criminal offenses that have successfully entered the financial system through placement or transfer so that they appear to be *clean money*, to halal business activities or to refinance criminal activities.

In dealing with the stages used by these criminals through various types of unclear transactions in order to justify their large amounts of money, presumably here can be stated several policies that must be taken by the government, if the government and policy makers want to thwart and eradicate the practice money laundering, namely: by perfecting all the confidentiality arrangements of the bank, establishing, and regulating financial reporting obligations both personal and corporate and overseeing all transactions at certain amounts.

⁸ Joni Emirzon. Bentuk Raktik dan Modus Tindak Pidana Pencucian Uang. Jurnal KPK. Archived from: https://jurnal.kpk.go.id/Dokumen/SEMINAR_ROADSHOW/Bentuk-praktik-dan-modus-tppu-Joni-Emirzon.pdf. (Accessed on April 9 2020), p. 31-32

⁹ Taher, A.P. PPATK Waspada Bitcoin Jadi Sarana Pencucian Uang. Archived from: <https://tirto.id/ppatk-waspada-bitcoin-jadi-sarana-pencucian-uang-cB2b>. (Accessed on April 10 2020)

From the limitation on the amount of wealth that can be categorized as a result of unlawful money, which is classified as money laundering, which is above 500 million rupiah, which is sourced from activity income as formulated in the money laundering law, of course this crime is committed by people who have high social level, smart people and people who already have capital. There are several characteristics that are generally inherent in *White Collar Crime*, as follows¹⁰:

- a. Invisible (*low visibility*)
- b. Very complex (*complexity*)
- c. Unclear criminal liability (*diffusion of responsibility*)
- d. Unclear victim (*diffusion of victims*)
- e. Rule of law which is either unclear (*ambiguos criminal law*)
- f. Difficult to detect and prosecute (*weak detection and prosecution*)

With the characteristics in the formulation above, showing that both the stages of action, the sophisticated instruments and neat organization of the actors, and the variety of modes of operation, it is difficult to detect and ensnare the perpetrators to the point where take it to court .

3.3 Misue of Cryptocurrency in Money Laundering Crimes

Today, money laundering is rife in various parts of the world, especially in Indonesia, noting that the biggest money laundering crimes originate in three sectors, including narcotics, banking and corruption. The three sectors are the result of an investigation of the Financial Transaction Analysis and Reporting Center. Indonesia recorded in December 2019 the total number of reports received by Financial Transaction Analysis and Reporting Center since January 2003 has reached 75,361,672 reports or an increase of 17.6 percent compared to the cumulative number of reports as of December 2018.¹¹

Money laundering as an attempt to hide or disguise the origin of money or funds as well as the results of wealth generated through various methods, including those popularly carried out by the perpetrators, which are used for financial transactions, this is a technique in camouflage so that it appears that the medium of exchange used comes from legitimate activities in the sense obtained from the results of work.

In this modern era, the existence of cryptocurrency is very attractive in the world, a very significant performance increased from 2018. It has great potential to be considered able to influence the world economy, until now only a few countries recognize the presence of crypto currencies among them are the United States, Japan, South Korea, Finland, China, Russia, and Indonesia¹². Support and opposition from other countries also contributed to the presence of this crypto money, besides the

¹⁰ Hakristuti, H. (2001). *Tindak Pidana Kesusilaan dalam Perspektif Kitab Undang-Undang Hukum Pidana, dalam Pandangan Muhammad Amin, dkk, Pidana Islam di Indonesia (Peluang, Prospek dan Tantangan)*. Jakarta: Pusaka Firdaus, p. 66

¹¹ Pusat Pelaporan Analisis dan Transaksi Keuangan. *Buletin Statistik APUPPT Vol 118*. Desember 2019. Archived from: <http://www.ppatk.go.id/publikasi/read/102/buletin-statistik-apuppt-vol-118---desember-2019.html> (Accessed on April 10, 2020)

¹² Anisa Giovanni. *Bitcoin Legal Digunakan di Negara-Negara Ini*. Archived from: <https://coinvestasi.com/belajar/negara-bitcoin-legal/>. 2019. (Accessed on April 9, 2020)

international institution called the International Monetary Fund (IMF) which is an intergovernmental organization under the auspices of the United Nations which aims to maintain international economic stability¹³.

Based on the purpose of the establishment of the IMF organization the presence of crypto virtual currencies is very dangerous, because achieving stability in the international economy requires the use of a stable currency. Virtual currency is clearly seen as unable to provide a stable exchange rate because the nominal price setting is influenced by the level of trust of the users who save money on the Exchanger.

Of course the fluctuation cannot be separated from cryptocurrency. Although its development is still opposed by several countries, the interest of the world community to invest in cryptocurrency forms in the form of bitcoin, ripple (XRP), dash, zcash, ethereum (ETH), litecoin, and others. Investment in the form of cryptocurrency provides a very large profit opportunity, this is returned again to the way the rights holders of the money in selling it. But over the course of time in 2017 began to recognize the presence of crypto currencies, in overcoming the problems of the world economy so as to open up greater investment opportunities for all members of the IMF which of course the results of the recognition will affect the views of countries to use the money on the side of the use of cryptocurrency provides convenience in international transactions and can reduce the *remittante* cost.

Seeing investment opportunities with large yields, did not rule out the possibility of being a loophole of money launderers diverting money or funds or the proceeds of wealth from behavior that is prohibited by regulations. Cryptocurrency is a virtual exchange tool that will certainly be able to eliminate traces of money laundering. Characteristics of money laundering as described by Hazell Coral include invisible, very complex, unclear criminal liability, unclear victims, vague or unclear legal rules and difficult to detect and prosecute as a whole can be fulfilled if transferred into investment in the form of investment cryptocurrency.

Money laundering is part of white collar crime, which clearly has expertise. Thus the perpetrators of money laundering crimes, including people who have intellectual abilities and expertise above the average, it is natural that the decision to take steps to invest in Exchangers. There are 3 (three) stages of money laundering, the most dominant stage for explaining the transfer of illicit money into an investment cryptocurrency that is the stage layering or coating. There is always connected between "placement" with "layering" which means that each procedure leads to the transfer of physical conditions or illicit nature of the money into the form of "layering".

Diverting money or funds and wealth results through investments in cryptocurrency is very dangerous because from the police it will be very difficult to detect the existence of cryptocurrencies and in proving ownership will require a higher level of ability. The reason for the difficulty in tracing and revealing ownership and transaction activities for a cryptocurrency is that the unlock process used by cryptocurrency is ascheme time stamping and through the method block chain.

¹³ Granithio Karya Nugraha. *Pengaruh Respons IMF Terkait Penggunaan Cryptocurrency Terhadap Kebijakan Pemerintah Indonesia*. Journal of International Relations 4 (3). 201. Archived from: <http://ejournal-s1.undip.ac.id/index.php/jihi>. (Accessed on April 9, 2020),

The ease of technology makes the emergence of new variations eliminate traces in money laundering, "technique peel chain" tracks large sums of funds which are broken down into small nominal amounts, generally amounting to thousands or even hundreds of thousands of small-scale coins in multi-layered transactions¹⁴. The technique peel chain requires a very long time because the data search process must be broke down into the smallest nominal and the transaction is not only done once certainly above 10 (ten) times the transaction. In addition, the capacity of the ability of human resources to be able to handle cases related to-based crime is block chain very needed, even though the use of cryptocurrency really exists in the community. As a result, special regulations need to be established that can regulate this so that money laundering is easily handled.

Investment in cryptocurrency which at this time especially in Indonesia has not been able to provide clear rules. On the other hand it is still less capable in terms of capacity in conducting investigations in the form of changing physical conditions into cryptocurrency. In investigating financial crime, or criminal acts carried out with the aim of finding money or wealth, we are familiar with the follow the money and follow the Suspect approach. The approach follow the money prioritizes finding money or assets resulting from criminal acts compared to looking for perpetrators of crime¹⁵.

The use of the approaches follow the money and follow the suspect will look old-fashioned, to eradicate money laundering whose physical condition has changed completely and is difficult to trace. Comparison of systems time stamping and methods block chain with investigations and investigations through the approach follow the money will be very time consuming and make money laundering cases never resolved.

3.4 Prevention of Money Laundering in the Form of Cryptocurrency

The efforts to eradicate money laundering, can utilize the National Risk Assessment (NRA) results. There is a need for an initial understanding of the risks faced so that treatment can be carried out optimally, based on the level of risk the stakeholders must use the standard methodology of the Financial Action Task Force (FATF). Through a preventive policy (soft approach) and eradication (hard approach) whose implementation is carried out by each stakeholder according to their duties and functions in the form of supervision and regulation and law enforcement is expected to be able to have a good impact so that money laundering can be resolved to its roots¹⁶.

Law Number 8 of 2010 concerning Prevention and Eradication of Criminal Acts of Money Laundering provides tasks, authorities and new work mechanisms for regulators / supervisory and regulatory bodies, law enforcement agencies, and other related parties, efforts to prevent criminal acts of money laundering and the eradication of money laundering, among others, are carried out by the Supervisory

¹⁴ Wijaya, D.A. *Sisi Gelap Bitcoin: Alat Cuci Uang*. Archived from: <https://blockchainmedia.id/sisi-gelap-bitcoin-alat-cuci-uang/>. (accessed on April 10, 2020)

¹⁵ Badan Diklat Kejaksaan R.I. *Modul Tindak Pidana Pencucian Uang (TPPU)*. Jakarta: Badan Pendidikan dan Pelatihan Kejaksaan Republik Indonesia, 2019

¹⁶ Pusat Pelaporan Analisis dan Transaksi Keuangan. *Pengkinian Penilaian Risiko Indonesia Terhadap Pencucian Uang Tahun 2015*. (Archived from: <http://www.ppatk.go.id/publikasi/read/92/pengkinian-penilaian-risiko-indonesia-terhadap-pencucian-uang-tahun-2015.html>). 2019. (Accessed on April 10, 2020)

and Regulatory Body through regulations or policies issued primarily relating to the implementation of the principle of recognizing service users and reporting by reporting parties, and other activities such as socialization and coordination. While efforts to eradicate or enforce the law are carried out by investigators, public prosecutors and judges involving the participation of The Center for Reporting and Analysis of Financial Transactions and the Reporting Party. As a front liner, the Reporting Party submits a report on Suspicious Financial Transactions and Cash Financial Transactions to The Center for Reporting and Analysis of Financial Transactions for analysis. In case there are indications of Money Laundering or other criminal acts, the Report of Analysis or Examination Report is submitted to the investigator of the original crime which includes the Police, Attorney's Office, Corruption Eradication Commission, National Narcotics Agency, the Directorate General of Taxes, and the Directorate General of Customs and Excise¹⁷.

The ratification of Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering, and Government Regulation of the Republic of Indonesia Number 82 of 2012 concerning Operation of Electronic Systems and Transactions. The Bill on Prevention and Eradication of money laundering comes with a new spirit and paradigm, which is to synergize efforts to prevent and eradicate money laundering. The objectives of the drafting of this bill are¹⁸:

1. Strengthening the commitment of the Indonesian people to uphold the anti-money laundering regime in Indonesia;
2. Support and improve the effectiveness of law enforcement efforts in the prevention and eradication of money laundering criminal acts;
3. Providing a strong legal basis and ease in the detection, administration and confiscation of proceeds of crime;
4. Adjust the regulations regarding money laundering with international standards that have undergone changes and the provisions of the anti money laundering strategy that applies internationally as international best practice;
5. To further enhance public confidence both at home and abroad in law enforcement in Indonesia in cases of money laundering.

Each country has made corruption an act that must be removed from all country, at the G-20 meeting in Buenos Aires, Argentina discussed about Bitcoin and others, a trade control system must be established, through supervision it can be said that the short-term strategy for anti-money laundering regulations against money laundering is in the form of *cryptocurrency*.

The Center for Reporting and Analysis of Financial Transactions has formed a special field that handles issues of financial technology (fintech) and cyber crime. In addition, The Center for Reporting and Analysis of Financial Transactions also coordinates with Indonesia Bank (Bank Indonesia/BI) and the Financial Services Authority to monitor the use of digital currencies (Taher, 2017). Investments *Cryptocurrency* from illicit results need special regulation so that the user supervision *cryptocurrency* can be monitored more optimally.

Minister of Trade participated provide general policy for providing Futures Trading Assets Crypto (*Crypto Asset*) in the Trade Minister Regulation No. 99 of 2018 Regarding the regulation of bitcoin in Indonesia, the ability for users bitcoin

¹⁷ Badan Diklat Kejaksaan R.I., *ibid*

¹⁸ *ibid*

transactions undertaken will lead to potential illegal transactions such as money laundering. This is made worse by the convenience of bitcoin being exchanged with national currencies. The central bank as a regulator, will also worry if bitcoin users soar so that the national currency in a country is no longer an effective payment tool in managing the country's economy. Without control over virtual currencies, the central bank cannot back up the value of bitcoin and other virtual currencies to control price fluctuations and inflation.

IMF also having considerable influence on the policies of the government of Indonesia and even other countries, IMF needs to provide a special policy so that problems around the world, namely money laundering into the form of *cryptocurrency* because money laundering gives a big impact to a country because it can reduce the quality of people's lives and raise concerns about national security, on the other hand the private sector will have an impact on the micro economy, the occurrence of economic instability, as well as loss of state income from sources of tax payments, and provide opportunities for criminals or criminals to expand crime operations¹⁹.

4. Conclusion

Time development makes it easier for human need, one of which by creating virtual currencies greatly facilitates the transaction process in the world. So there is no need face to face payment processing. In 2018 the crypto currency is becoming famous, offering an exchange rate in the form of a country's currency is very high and this has aroused public interest in being able to invest. But on the way there was a misuse of purposes intended to simplify and reduce the cost of currency exchange is now used as a medium for money laundering.

Money Laundering comes from the 3 (three) biggest sectors in Indonesia, namely Corruption, Banking and Drugs. In the concept of money laundering is to divert the physical condition of illicit money obtained into another form, in this case as one example is money laundering into a form of Cryptocurrency investment. The system of changing conditions from ordinary money to cryptocurrency has a high degree of difficulty in tracking transactions. The method of following the money approach in the modern era must be able to be updated because if it is used to investigate the transaction history, it takes quite a long time besides the availability of non-available human resources.

Not only the improvement of methods, changes and adjustments to regulations must be done so that there is no legal vacuum and provide legal certainty. Money laundering is very detrimental to society at large even though it is not felt directly. Thus regulations regarding handling money laundering in the form of cryptocurrency investments must be held and improving the quality of human resources in the hope of becoming part of the savior of state money from money laundering through the ability of its cyber team.

¹⁹ ICJR. (2014). *Meluruskan Arah Pengujian Anti Pencucian Uang di Mahkamah Konstitusi*. Jakarta: Institute for Criminal Justice Reform, p. 16

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