

THE IMPACT OF GLOBAL ECONOMIC RECESSION ON CRYPTO ASSET TRADING AND TRANSACTION SECURITY IN INDONESIA

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ABSTRACT

When the Coronavirus Disease 2019 (COVID-19) pandemic has an impact on reducing world economic growth, this condition gives benefits to the digital investment sector, one of which is the increase in crypto asset trading. The crypto asset trading sector is a digital commodity that is in great demand and is growing rapidly in society. This is because crypto asset trading does not require each investor to meet each other face to face and only requires an internet network in transactions. Throughout 2021, crypto asset trading and the number of investors who transacted almost all over the world continued to experience a significant increase, including in Indonesia. However, at the beginning of 2022, there was a conflict between Russia-Ukraine which affected the increase in commodity prices around the world. This condition then triggered inflation in several major countries, which in turn resulted in the threat of a global economic recession. This phenomenon then leads to a weakening global economy which can hinder the growth of crypto asset trading in the future. Not only that, crypto asset trading itself is also still haunted by concerns about the weak security system in investing in crypto assets which is vulnerable to the rise of various fraud cases. Therefore, regulation and facilities that are following the current needs of crypto asset trading are urgently needed to stimulate the growth of crypto assets. Actions taken by the government through the establishment of crypto asset trading regulations and supporting platforms are very important to provide business certainty and security in investing in crypto assets in Indonesia.

Keywords: *Crypto Asset Trading; Global Economic Recession; Transaction Security; Crypto Trading Regulation.*

INTRODUCTION

With the Coronavirus Disease 2019 (COVID-19) outbreak still lingering, the volume and value of transactions on commodity futures exchanges are projected to grow. Among them, there is an increase in crypto asset transactions traded online. Crypto assets have attracted the public's attention, and many are interested in trying to trade because they hope to benefit from this relatively new commodity. Crypto asset trading is part of the emerging digital economy,

with the volume of crypto asset market transactions growing rapidly since the (COVID-19) pandemic.¹

After the global economic dynamics due to the impact of the COVID-19 pandemic, Russia's invasion of Ukraine certainly disrupted the prolonged global economy and the consequences of the COVID-19 pandemic. Although some economies have bounced back quickly after COVID-19, the outbreak of war between Russia and Ukraine caused inflationary pressures and major supply chain disruptions.²

A sharp decline in performance has occurred in many major countries. One of them is the United States economy, which is currently in a recession, which is characterized by a decline in the country's economy in two consecutive quarters in the first half of 2022, and also followed by an increase in unemployment in the United States.³ As a result of the recession and increase in unemployment that occurred in the United States, it will certainly have implications for the decline in various fields of the economy. One of the impacts felt is the fall in crypto prices that attracts all the attention.

Crypto assets, also known as cryptocurrencies, are digital assets that use cryptography and distributed ledgers or similar technologies. Crypto assets can serve as a means of digital transactions that are used as investment instruments.⁴ Crypto Assets in Indonesia are prohibited as a means of payment following Law Number 7 of 2011 concerning Currencies but can be categorized as commodities traded on the Futures Exchange.⁵

In 2021, the total value of crypto asset trading transactions reached IDR 859.5 trillion. Meanwhile, the total transaction value in January-August 2022 was recorded at IDR 249.3 trillion, down 56.35 percent compared to the same period in the previous year, dropping by more than half. It was due to the global economic downturn, including interest rate hikes from the Fed and the Russia-Ukraine war, which ultimately impacted investment markets, including the crypto market. The weakening of crypto prices, especially those with large capitalization such as Bitcoin, Ethereum, and USDT, impacted other types of coins, making investors hold back from more transactions, and the market was quieter than in the previous period.⁶

There have been many legal events that have led to losses in investing using the cryptocurrency system. The weak security protection of the Bitcoin provider platform causes Bitcoin owners to lose assets or be unable to re-access accounts on the provider platform. Owners can lose assets or accounts because business actors impose responsibilities on users based on general provisions that the business actors have made. These provisions, such as Bitcoin users, are responsible for bearing risks and losses. The security that the business actor must fulfill as the owner of the platform or the platform can operate properly so as not to harm other users.⁷

Crypto assets are a very strong magnet that attracts people's attention because crypto promises huge profits. However, looking at the condition of the global economic downturn and

¹Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, Bappebti Bulletin, "Pesona Komoditi Aset Kripto", Edition 226, April 2021, p. 3.

²Sony Hendra Permana, (June 2022), "Dampak Perang Rusia-Ukraina Terhadap Perekonomian Indonesia", Research Center of the House of Representatives Vol. XIV, No. 5, 2022, in Connie Rahakundini Bakrie, Mariane Olivia Delanova, and Yanyan M Yani, "Pengaruh Perang Rusia Dan Ukraina Terhadap Perekonomian Negara Kawasan Asia Tenggara", Journal of Caraka Prabu Vol.6 No.1, p. 68.

³Nova Aulia Bella and Rosalina Tineke Kusumawardhani, (August 2022), "Dampak Resesi Amerika Serikat Terhadap Perekonomian Indonesia", APBN Bulletin, Vol. VII. Ed. 16, p. 12.

⁴Financial Stability Board, "Assessment of Risks to Financial Stability from Crypto-assets", February 16, 2022, p. 1.

⁵Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, "Perdagangan Aset Kripto", 2021, p. 3.

⁶Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, "Bappebti Bakal Perketat Aturan Exchanger Kripto di Indonesia", [Bappebti Website - Media Corner](#), accessed November 14, 2022.

⁷Tobi Arfiandi and I Gede Pasek Eka Wisanjaya, (2022), "Keamanan Dan Perlindungan Hukum Bagi Investor Pada Transaksi Virtual Asset Kripto", *Journal of Kertha Wicara*, Vol. 11 No. 4, p.735-746.

the weak security in storing crypto assets, it is necessary to review several possible problems. Among them is how the threat of a global economic recession that is currently occurring can have an impact on crypto asset trading in Indonesia. Then the next problem is how safe the transaction is in the crypto asset trading in Indonesia. Therefore, this study aims to analyze the possible impact of the global economic recession on crypto asset trading and the security of transactions in the crypto asset market.

METHOD

The research method used in this writing is a normative juridical research method using a statutory approach and data collection techniques through literature study. The statutory approach is carried out to analyze and determine how the applicable regulations in Indonesia regarding crypto asset trading affect the security of transactions in conditions affected by the current global economic recession. The literature taken as sources in this study are generally scientific articles found on scientific journal portals. Some news sources were also analyzed as supporting data. The literature study was conducted by selecting several scientific papers relevant to the research topic so that the research questions could be answered appropriately. The analysis to answer the research questions also referred to theories from several books and official documents from related institutions.

ANALYSIS AND DISCUSSION

The Impact of The Global Economic Recession on Crypto Asset Trading in Indonesia

Since the World Health Organization (WHO) has declared COVID-19 a global health emergency, the world economy has been drastically affected. Sales are down, consumers are changing their behavior, production is reduced, companies have a serious financial burden, and unemployment rates are rising worldwide. The drastic shift in businesses and economies worldwide is expected to affect alternative investments such as the digital currency market or cryptocurrencies.⁸ In Indonesia, investment in crypto assets is increasingly in demand, especially amid the COVID-19 pandemic. The prices of crypto assets such as bitcoin, Ethereum, ripple, dogecoin, and others continue to rise.⁹

As mentioned above, crypto is prohibited from being used as Currency and a means of payment in Indonesia. It is regulated in Law Number 7 of 2011 concerning Currency, that what is officially recognized as Currency is money issued by the Unitary State of the Republic of Indonesia, after this referred to as Rupiah.¹⁰ This provision follows Bank Indonesia Regulation Number 23/6/PBI/2021 concerning Payment Service Providers which states explicitly that Payment Service Providers are prohibited from accepting and facilitating virtual Currency to be used as a source of funds in the payment transaction process,¹¹ which in this case is crypto coins.

When it was five years ago, there was an increase in the price of Bitcoin by 5,919.69 percent. What an enormous increase. This upward trend is the magnet for why crypto is in high demand by many people. The next enticing factor is the blockchain infrastructure used by

⁸Novi Darmayanti, Titik Mildawati, and Fitriah Dwi Susilowati, "Dampak COVID-19 Terhadap Perubahan Harga Dan Return Saham", *Journal of Economics and Finance*, Volume 4, Number 4, December 2020: 462 - 480, p. 463.

⁹Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, Bappebti Bulletin, *Pesona Komoditi*, p. 6.

¹⁰Republic of Indonesia, Law Number 7 of 2011 Concerning Currency, Article 1 Number 1.

¹¹Republic of Indonesia, Regulation of Bank Indonesia Number 23/6/PBI/2021 Concerning Payment Service Providers, Article 202.

crypto, which is considered safe in securing digital financial transactions because blockchain technology works like an open ledger, allowing every transaction to be published publicly. Blockchain technology also uses a decentralized system, where most blockchain data is stored even on millions of different devices in a widespread network, so this system allows the stored data to be more resistant to technical failures.¹²

The next enticing factor is the stable nature of the blockchain. This feature makes it impossible to reverse or alter a confirmed block. Once transaction data is registered into the system, no one can delete or reverse it. It makes blockchain a reliable and efficient technology that can be used to store financial records and other business transactions. The fourth factor is that the system is peer-to-peer. It means that transactions in blockchain are done without a third-party intermediary but directly between person to persons. It differs from most non-blockchain payment systems or transactions requiring a third party. For example, buying a car through leasing.¹³

The rapid development of technology has a tremendous effect on the growth of crypto assets. The market capitalization of crypto assets worldwide as of June 25, 2021, has reached USD1.37 trillion or IDR19.85 quadrillion. Throughout 2020, the value of crypto transactions in Indonesia was recorded at IDR 64.97 trillion. As for the January-May 2021, crypto transactions have reached IDR 370.4 trillion. The Ministry of Trade of the Republic of Indonesia stated that the transaction increased five times compared to the position at the end of 2020 of IDR 65 trillion. The increase in transaction volume is also in line with the increase in crypto asset investors, which reached 6.5 million people, jumping more than 50 percent from the end of 2020 of 4 million people.¹⁴

In order to accommodate the physical trading of crypto assets in Indonesia, the Ministry of Trade through Bappebti has issued Bappebti Regulation Number 13 of 2022 concerning Amendments to Bappebti Regulation Number 8 of 2021 concerning Guidelines for Implementing Physical Market Trading of Crypto Assets on the Futures Exchange. The definition of Crypto Asset itself has been regulated in it, namely Crypto Asset, from now on referred to as Crypto Asset, is an intangible commodity in digital form, using cryptography, information technology networks, and distributed ledgers to regulate the creation of new units, verify transactions, and secure transactions without interference from other parties.¹⁵

The increasing and increasingly popular crypto existence in Indonesia is also supported by the recognition of crypto as a commodity. Based on the Regulation of the Minister of Trade of the Republic of Indonesia Number 99 of 2018 concerning General Policies for the Implementation of Crypto Asset Futures Trading, it is stipulated that Crypto Assets are designated as Commodities that can be used as Subjects of Futures Contracts traded on the Futures Exchange.¹⁶

Crypto Assets are Digital Commodities from the blockchain system that can be categorized as rights or interests, so they are included in the Commodity category regulated in Law Number 10 of 2011 concerning Amendments to Law Number 32 of 1997 concerning Commodity Futures Trading (PBK Law). Commodities themselves have been defined in the PBK Law that Commodities are all goods, services, rights, and other interests and any derivatives of

¹²Indonesian Banking Development Institute, “*Aset Kripto Di Tengah Keterbatasan Ruang Gerak*”, 2022, p. 2.

¹³*Ibid*, p. 2-3.

¹⁴Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, Bappebti Bulletin, “*Aset Kripto Salah Satu Alternatif Investasi*”, Edition 228, June 2021, p. 5-19.

¹⁵Republic of Indonesia, Bappebti Regulation Number 13 of 2022 concerning Amendments to Bappebti Regulation Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Asset Physical Market Trading on the Futures Exchange, Article 1 point 7.

¹⁶Republic of Indonesia, Regulation of the Minister of Trade No. 99/2018 on the General Policy for the Implementation of Crypto *Asset* Futures Trading, Article 1.

commodities that can be traded and become the subject of futures contracts, sharia derivative contracts, and/or other derivative contracts.¹⁷

The presence of crypto assets as a digital commodity that can be used for virtual transactions based on the internet network has advantages in terms of speed, time and cost efficiency, and security because it is protected by blockchain technology which is almost impossible to hack. Indonesia is currently the largest crypto market in Southeast Asia, with a capitalization figure of around Rp 900 trillion and several investors reaching 11 million people.¹⁸ The five types of crypto assets with the highest transaction value are Tether (IDR 42.3 trillion), Bitcoin (IDR 18.5 trillion), Ethereum (IDR 14.2 trillion), DogeCoin (IDR 6.8 trillion), and Terra (IDR 6 trillion).¹⁹

The crypto asset investment market continues to move with considerable fluctuations. However, the crisis between Russia and Ukraine certainly affected the economic field. The two hostile countries feel the impact of the ongoing Russia-Ukraine war and affect other countries. Commodity prices are volatile, and many investors are panicking to save their investments. War will also cause inflation to skyrocket as conflicting governments spend heavily to win the war. In addition, production will stagnate, causing goods or services to become scarce. When such scarcity occurs, prices will increase.²⁰

The aftermath of the Russia-Ukraine war exacerbated the disruption of international trade and increased inflation, leading to monetary tightening in many countries. Commodity and food prices surged sharply, driving inflation in many countries. In the United States and Europe, inflation reached a 40-year high of 8.3 percent and 9.1 percent, respectively. Argentina and Turkey currently face hyperinflation, recorded at 71 percent and 80 percent, respectively. Many countries are tightening their monetary policy. The US Central Bank, for example, has raised its benchmark interest rate four times throughout 2022, reaching 225 basis points. This move is expected to continue until early 2023.²¹

The unfavorable global economic conditions have resulted in a decline in international trade and held back improvements in global supply chains, rising international commodity prices, including energy and food, significant global inflation, and rising global financial market uncertainty. Correspondingly, high global financial market uncertainty will result in limited foreign capital flows and depress exchange rates in developing countries, including Indonesia. The global economic recovery is predicted to be subdued and accompanied by an increased risk of stagflation and recession in several countries. Global GDP in 2022 is estimated to grow by 2.9% (yoy), or lower than the previous projection (3.5%).²²

High inflation in several countries and with the Fed and other central banks also targeting interest rate hikes fueled fears of a recession. It has affected high-risk commodities such as cryptocurrencies. Bitcoin was observed trading below USD20,000 again on Thursday (30/6),

¹⁷Republic of Indonesia, Law Number 10 of 2011 Concerning the Amendment to Law Number 32 of 1997 Concerning Commodity Futures Trading, Article 1 point 2.

¹⁸People's Consultative Assembly of the Republic of Indonesia, "Seminar 'Fenomena Robot Trading, Aset Kripto, dan Sistem Pembayaran di Indonesia', Bamsuet Dorong Dibuat Undang-Undang Khusus Ekonomi Digital", [Seminar on 'The Phenomenon of Robot Trading, Crypto Assets, and Payment Systems in Indonesia', Bamsuet Encourages a Special Law on Digital Economy \(mpr.go.id\)](#), accessed November 14, 2022.

¹⁹Ministry of Trade, "Aset Kripto di Indonesia Alami Lonjakan, Wamendag Ajak Mahasiswa Berinvestasi dengan Aman", [T391Nh5FPkY8HycqjsbinvhqDOA0viX2nHqKhB3B.pdf \(kemendag.go.id\)](#), accessed November 15, 2022.

²⁰Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, Bappebti Bulletin, "Robot Trading: Ilusi Cepat Kaya Tanpa Usaha", Edition 235, March 2022, p. 29.

²¹Fiscal Policy Agency of the Ministry of Finance of the Republic of Indonesia, *Tinjauan Ekonomi, Keuangan, dan Fiskal*, (Jakarta: Fiscal Policy Agency of the Republic of Indonesia, Edition III Year 2022), p. 49.

²²Central Bank of the Republic of Indonesia, "Sinergi dan Inovasi Kebijakan Untuk Menjaga Stabilitas Sistem Keuangan Dan Mendukung Pertumbuhan Ekonomi Nasional", *Financial Stability Review*, No. 39 September 2022, p. 6-7.

as investors are still worried about global macroeconomic conditions and the crisis in crypto companies. In the last week of June, Bitcoin corrected 1.57%; in June, Bitcoin fell 36.79%. Meanwhile, this year, Bitcoin has lost 58.05% of its valuation. Currently, Bitcoin's market capitalization has reached USD381.67 billion.²³

This phenomenon has also had an impact on crypto asset trading in Indonesia. The Commodity Futures Trading Supervisory Agency (Bappebti) noted that the value of crypto transactions in Indonesia has declined since the end of 2021. In June 2022, crypto transactions were recorded at only IDR 20 trillion. This figure dropped by 65.5% compared to the same period last year, IDR 58.06 trillion. Compared to the previous month, the value of crypto transactions shrank 19.5% from IDR 24.86 trillion. This decline is in line with the fall in the value of crypto assets in recent times.²⁴

Towards the end of June 2022, crypto asset prices are seen experiencing compact movements. Bitcoin and other top cryptos on Wednesday, June 29, 2022, were observed to weaken again after strengthening the previous few days; based on data from Coinmarketcap, the crypto with the largest market capitalization, Bitcoin (BTC), weakened 2.44 percent in 24 hours and 2.04 percent in the past week. At that time, the bitcoin price was USD20,383 per coin or the equivalent of IDR 302.7 million (assuming an exchange rate of IDR 14,852 per US dollar). Ethereum (ETH) crypto assets also have to fall back. Over the past 24 hours, ETH fell 3.85 percent but strengthened 3.39 percent in a week. ETH price is USD1,163 per coin. In June 2022, crypto transactions in Indonesia were recorded at IDR 20 trillion. This figure dropped dramatically by 65.5 percent compared to the same period last year IDR 58.06 trillion. When compared to the previous month, the value of crypto transactions also shrank 19.5 percent from IDR 24.86 trillion.²⁵

Despite experiencing high fluctuations, Deputy Minister of Trade of the Republic of Indonesia, Jerry Sambuaga, is still confident in the potential for developing crypto assets in the country. It is because, based on Bappebti's records, the number of registered crypto asset customers increased by 962,038 people in June 2022. The addition was 146.15% higher than in the same period last year, around 390,000 people. The figure also rose 146.15% compared to May 2022, which was 390,000 people. In accumulation, the number of crypto investors in Indonesia reached 15.08 million people by June 2022.²⁶

The government's positive response, which continues to support the crypto trading sector amidst the decline in crypto asset prices due to the impact of the global economic recession, is realized through establishing a crypto asset exchange. The Indonesian government, the Ministry of Trade through Bappebti, is establishing a crypto asset exchange, clearing house, and custodian to support the Indonesian crypto asset ecosystem, which is expected to be operational soon. If this exchange is realized later, Indonesia will be the first country to have a crypto asset exchange worldwide. Furthermore, the government will continue to monitor the development of this extraordinary transaction value and customers so that crypto asset trading in Indonesia remains in the right corridor.²⁷

Although the price of crypto assets is experiencing a decline, it does not reduce public interest in investing in this instrument. This phenomenon of falling prices is also a natural thing

²³Directorate of Investment Management System, "Buletin Investasi, Keuangan, Dan Ekonomi", Bulletin Second Week Edition, June 18-30, 2022, p. 6.

²⁴Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, "Ini Kelebihan Aset Kripto Dibanding Yang Lain", Bappebti Bulletin Edition 239, July 2022, pp. 9.

²⁵Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, "Lini Bappebti Respon Cepat Keluhan Masyarakat", Bappebti Bulletin Edition 238, June 2022, p. 21.

²⁶Commodity Futures Trading Supervisory Agency of the Republic of Indonesia.

²⁷Ibid.

as part of a market mechanism in the crypto asset industry.²⁸ The movement of crypto assets, which is currently experiencing a weakening, is not directly proportional to the increase in the number of crypto investors, which is growing rapidly. Bitcoin, for example, in the second quarter of 2022 experienced a decrease in asset value of more than 50 percent compared to the first quarter. However, in the third quarter, it rose by 17.7 percent again. Likewise Ethereum, the decline in the second quarter even reached more than 90 percent, although in the third quarter, it rose 57 percent again.²⁹

The Chairman of the People's Consultative Assembly of the Republic of Indonesia (MPR RI) encourages the government, namely the Ministry of Trade, through Bappebti and other related ministries and institutions, to accelerate the establishment of a crypto asset exchange. So that it can further encourage the progress of the crypto asset trading industry in Indonesia because it can help supervise crypto transactions, provide information disclosure, and provide protection for investors.³⁰

In addition, Bappebti also continues to improve regulations by updating regulations on the implementation of crypto asset trading by issuing Bappebti Regulation Number 13 of 2022 concerning Amendments to Bappebti Regulation Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Asset Physical Market Trading on the Futures Exchange. This regulation is expected to continue to improve not only for the growth of the value of crypto assets themselves but also for legal certainty to protect investors and store crypto assets and to be a regulation that follows the needs of developments in the crypto asset trading market.

Security of Transactions in the Crypto Asset Trading in Indonesia

In the world, many fraud cases arise related to trading crypto assets. One of them, a man from Utah in the United States named Wolfgramm, has been charged with seven felonies for allegedly committing several financial fraud schemes, including a crypto asset mining scam and victimizing two customers worth USD1.7 million or the equivalent of IDR25.5 billion. Through one of his companies, Bitex, he tricked two investors into investing USD 1.7 million to buy a high-powered crypto mining machine, the Bitex Blockbuster, which did not exist. In 2021, the nominal loss generated by crimes involving crypto assets has reached an all-time high of USD14 billion or around IDR 201 trillion (assuming an exchange rate of IDR 14,369 per US dollar). The record comes at a time when regulators are calling for more oversight of the fast-growing sector.³¹

Crypto asset trading has become more worrying with the official termination of trading of the FTX Token crypto asset type on November 14, 2022, by the Head of the Commodity Futures Trading Supervisory Agency after FTX Token filed for bankruptcy with the United States court. Related to that, many customers withdrew from FTX on a large scale, which caused its price to drop dramatically. FTX Token is one of the 383 crypto assets listed in Bappebti Regulation Number 11 of 2022 concerning the Determination of the List of Crypto Assets Traded on the Crypto Asset Physical Market. It means that there are several crypto asset physical traders registered with Bappebti that facilitate FTX Token trading. Bappebti noted that in January-October 2022, transactions that occurred were worth IDR 106.5 billion. Seeing this

²⁸Ministry of Trade of the Republic of Indonesia, "Berdampak Positif ke Berbagai Sektor, Kemendag Dukung Perkembangan Aset Kripto Nasional", [Positive Impact on Various Sectors, Kemendag Supports the Development of National Crypto Assets - Ministry of Trade of the Republic of Indonesia](#), accessed November 15, 2022.

²⁹People's Consultative Assembly of the Republic of Indonesia, "Ketua MPR RI Bamsuet Dorong Pemerintah Percepat Pembentukan Bursa Kripto", [Chairman of MPR RI Bamsuet Encourages Government to Accelerate Establishment of Crypto Exchange](#), accessed November 15, 2022.

³⁰*Ibid.*

³¹Commodity Futures Trading Supervisory Agency of the Republic of Indonesia.

condition, for the benefit of customers, Bappebti asks every prospective crypto asset physical trader who trades FTX Tokens to pay attention, monitor, and analyze the development of FTX Tokens.³²

Bappebti has issued Regulation of Bappebti (Perba) Number 11 of 2022 concerning the Determination of the List of Crypto Assets Traded on the Crypto Asset Physical Market, which this regulation also revokes Bappebti Regulation Number 7 of 2020.³³ In the Perba, there is a determination of the list of crypto assets traded on the crypto asset physical market, which is 383 types of crypto assets.³⁴ Meanwhile, if there is a list of Crypto Assets that no longer meets the requirements and is not in accordance with the general principles and criteria, Bappebti may revoke certain types of Crypto Assets from the list of Crypto Assets traded on the Crypto Asset Physical Market.³⁵ In addition, this regulation also regulates the General Guidelines for Crypto Asset Conformity Assessment and also the Technical Guidelines for the Implementation of the Assessment of Crypto Asset Types That Can Be Traded on the Crypto Asset Physical Market.³⁶ With the issuance of this Perba, it is hoped that it can provide legal certainty for the public in transacting in the crypto asset physical market regarding the license and legality of the types of crypto assets being traded.

Irresponsible individuals can exploit the increasing public interest in crypto assets. Therefore, before deciding to invest in commodity futures trading, including crypto assets, the public needs to check the legality of futures brokers and the fairness of the benefits offered.³⁷ Investment instruments in crypto assets increase the risk in the financial industry. Therefore, in making investment decisions, both entities and financial professionals involved in the assignment need to consider the potential risks and challenges that arise.³⁸

The Government is fully supportive of the crypto asset trading ecosystem, which is realized through the plan to establish a crypto exchange, which until now also continues to be encouraged by the People's Consultative Assembly. In addition, crypto asset trading is also supported by Bappebti by issuing Bappebti Regulation Number 12 of 2022 concerning the Implementation of Information Technology-Based Advice Delivery in the Form of Expert Advisors in the Field of Commodity Futures Trading.³⁹ When analyzed from the crypto market ecosystem which is vulnerable to transaction security issues, the purpose of issuing this Bappebti Regulation is to reduce the number of losses due to fraud due to lack of experience in dealing in crypto asset trading.

Regarding the increasingly widespread investment trend in the community, the Government urges the public to pay attention to several things in making safe investments:

1. Before deciding to trade crypto assets, everyone must understand exactly what crypto assets are and the trading mechanism.
2. Invest in prospective crypto asset traders with a registration mark from Bappebti.
3. Invest funds in the types of crypto assets that Bappebti has regulated.

³²Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, "Ajukan Kebangkrutan di Pengadilan AS, Bappebti Resmi Hentikan Perdagangan Aset Kripto FTX", [Bappebti Website - Press Release](#), accessed November 29, 2022.

³³Republic of Indonesia, Regulation of the Commodity Futures Trading Supervisory Agency Number 11 of 2022 concerning the Determination of the List of Crypto Assets Traded on the Crypto Asset Physical Market.

³⁴*Ibid*, Appendix II.

³⁵*Ibid*, Article 3 Paragraph (3).

³⁶*Ibid*, Appendix I.

³⁷Commodity Futures Trading Supervisory Agency of the Republic of Indonesia, *Pesona Komoditi*, p. 6.

³⁸Ministry of Finance of the Republic of Indonesia, "Penguatan Ekonomi Digital dan Berkelanjutan", Edition 8, September 2022, pp. 29.

³⁹Republic of Indonesia, Regulation of the Commodity Futures Trading Supervisory Agency Number 12 of 2022 concerning the Implementation of Information Technology-Based Advice Delivery in the Form of *Expert Advisors* in the Field of Commodity Futures Trading.

In addition, potential investors also need to ensure that the funds used are legally generated surplus funds and not funds used for daily needs. Investors must study the risks that may arise and the development of crypto asset prices because the price fluctuates. In addition, investors must never believe in promises of fixed/high profits.⁴⁰

Crypto asset trading is positive and innovative as it follows applicable rules and regulations. With the existence of a legal umbrella supported by socialization and education regarding crypto asset trading carried out by cooperation between regulators, traders, and the crypto asset investor community, it is hoped that armed with a good understanding, it can provide benefits to crypto asset investors, and contribute to national income through crypto asset trading to grow and develop.

CONCLUSION

Based on the discussion above, it can be concluded that the threat of an ongoing global recession has a huge impact on crypto asset trading, including in Indonesia. In 2021, crypto prices continued to soar, while in 2022, crypto asset prices continued to decline, and even types of crypto assets have officially gone bankrupt. However, the price of crypto assets that fluctuates from very high to a drastic decline is considered normal because at the end of 2022, the price of crypto assets is rising again, and crypto investors will continue to grow in demand. In response to this situation, the Government continues to support the growth of the crypto asset business and investment through Bappebti to quickly establish a crypto exchange in Indonesia, noting that it must be based on strict regulations.

Crypto asset trading is closely related to the problem of transaction security due to fraud. Seeing this, the Ministry of Trade, through Bappebti, provides business certainty and security for crypto asset investors by creating several regulations and supporting infrastructure. One of them, Bappebti, issued the latest Bappebti Regulation on assets permitted to be traded on the crypto asset physical market, stipulating 383 types of crypto assets as a list of tradable crypto assets. With this regulation, investors will likely be more careful in calculating risks and checking crypto asset types' licenses and holding companies' licenses. In addition, Bappebti Regulation on Expert Advisor has also been issued to minimize losses due to fraud for investors who are still unfamiliar with or afraid to invest in crypto assets.

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⁴⁰Ministry of Trade, *Crypto Assets*, accessed November 15, 2022.

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