

# Money Laundering And Tax Evasion Resulting From Cyber Crimes Through Digital Currency (Crypto Currency)

Pangi Suryadi<sup>1</sup>, Azis Budianto<sup>2</sup>  
{paneli.dk@gmail.com}

Universitas Borobudur, Jakarta, Indonesia<sup>12</sup>

**Abstract.** Along with the rapid development of technology and the increasing prevalence of Cryptocurrency trading, it has raised concerns about the impact of the widespread use of new forms of digital money instruments (Crypto Currency). This study aims to examine the crime of money laundering and tax evasion originating in cyber crime through Crypto Currency. The problems discussed in this study are: 1. What are the legal rules governing the role of the profession as a reporting party in preventing and eradicating criminal acts of money laundering and tax evasion from the proceeds of cyber crimes through Crypto Currency? 2. How is law enforcement carried out by the court as one of the sub-criminal justice systems for its role in preventing and eradicating money laundering and tax irregularities? This research is analytical prescriptive, with a multi-entry or multi-disciplinary approach, which uses data obtained from library research and field research. The data collection tools used are document studies and interviews. The research phase is literature, which is supported by interviews. The data obtained were analyzed qualitatively with normative juridical and empirical juridical approaches. From the results of the study it can be concluded that: 1. The law has an important role to regulate the role of the Profession as a Whistleblower to prevent and eradicate criminal acts of money laundering and tax evasion. The role of the profession is a reflection of the embodiment of professionalism in the legal field, so as to realize the interests of humanity and society, it is regulated in State Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of the Crime of Money Laundering. 2. Law enforcement carried out by the courts against perpetrators of money laundering crimes that run more concentrated on corporate crimes, and law enforcement against perpetrators of tax evasion crimes experiencing obstacles or obstacles are the legal substance (norms), legal structure (law enforcement), legal culture and procedural law (formal law) rather than orientation to the return of assets resulting from crime.

**Keywords:** Professional Law; Cryptocurrency; Money Laundering; Tax Evasion

## 1 Introduction

Development of human life needed cannot be separated from science and its applied sciences in the types of technology in various fields. Technology or field of study contributes to the discovery of a new principle or law is distributed with the aim of Educate the nation, Trade Development and economic systems to increase the effectiveness and efficiency of public

services, Opening the widest possible opportunities for everybody, and Provide the simplest way of security, justice, and legal certainty. Nevertheless, Data electronic in Indonesia, there is no general law on data protection. However, there are certain regulations in concerning the use of electronic data.

One of the technological developments is that the event of knowledge technology, especially the online, whose development is increasingly being utilized by both the general public and also the banking world so on increase the efficiency of operational activities and also the quality of bank services to customers, among others: as an e-banking or electronic banking service . the event of models and accessibility within the planet of technology and also the net, making various transactions appear in it. One phenomenon that has become a hot topic of debate lately is that the emergence of digital currencies, their use is additionally decentralized, or are visiting be used without the authorization of economic institutions in each country. Cryptocurrency or digital currency is often a transaction tool, because its value is incredibly calculated in cyberspace in product payments from legal to illegal.

Based on this discussion of risk from cryptocurrencies as forums that facilitate transactions for concealment purposes. In this case, Cryptocurrency a sort of digital currency that refers to a math-based, decentralized convertible virtual currency that is protected by cryptography has been defined by the FATF. additionally, transactions made using Cryptocurrencies are still defined as a sort of monetary transaction, but don't have tender status in any jurisdiction.

Cryptocurrency as digital currency, and relating to the explanation of economic transactions in Article 1 Number 4 of Law Number 8 of 2010, which refers to receipts, transfers, deposits, withdrawals, book-entry, payments, grants, donations, deposits, and/or exchanging an amount of cash or other actions and/or activities associated with money.

In the context of Money Laundering, and tax evasion, technology with financial technology such as: Cryptocurrencies can facilitate this proced of crime that are laundered and concealed in money laundering schemes and tax crimes. Money laundering and tax crimes threaten the strategic, political and economic interests of both developed and developing countries. Money transfers online and also the technology that enables to maneuver and transfer funds from one account to a different is that far more popularly hidden. To support this, Cryptocurrency is usually one in every of the means of economic technology which will risk concealment.

Based on the outline above, the researcher intends to review further "Control of Cryptocurrency within the Misuse of Money Laundering Money as a shot to keep up State Security and Resilience".

The difference with previous research is that research on controlling Cryptocurrency in Indonesia remains very minimal, because this virtual currency has literally not been utilized in general. Therefore, the discussion about controlling the employment of Cryptocurrency to anticipate the increase of corruption and embezzlement cases in Indonesia. Whereas the potential for corruption and minimization by utilizing the most recent technology is extremely wide open; this might ensue to the dearth of regulations regarding currency control

### **Problem Formulation**

Based on the description above, it can be formulated the problems that become the focus of the study in this research are:

1. What are the legal rules governing the role of the profession as a reporting party in preventing and eradicating criminal acts of money laundering and tax evasion from the proceeds of cyber crimes through Crypto Currency?
2. How is law enforcement carried out by the court as one of the sub-criminal justice systems for its role in preventing and eradicating money laundering and tax irregularities?

## 2 Research Methods

This study uses a qualitative approach, namely research that is accustomed to examining the natural conditions of items where the researcher is the key instrument. This qualitative research understands social phenomena from the participant's perspective. Qualitative research, the type of information in the type of phenomena that is told textually, in-depth analysis in the style of identifying important themes, the scope of research in the type of attention to the theme and its broad nature, its advantages lie in the complete and rich narrative sample description, while the weakness lies in sample size. small cannot be generalized to population.

The method used in this research approach can be a qualitative method approach. The qualitative method approach can be a method that reveals in-depth facts that support the scientific characteristics of a person or group to find out and reveal something behind a phenomenon.

While this kind of research may be a descriptive problem solving research procedures investigated by describing the state of the topic or object in The study may be in the style of people, institutions, communities, and others that are currently supported by visible or existing facts. In the Research Methods Sample Booklet, the descriptive method can be a method of examining the status of a group of individuals, and objects, sets of conditions, systems of thought, or categories of events at that time.

## 3 Results and Discussion

### 3.1 Obligations of Advocates as Reporting Parties within the Crime of Money Laundering

In UK, lawyer has liabilities report to trackling legal suspicious transactions began in 2002, and adoption of a world instrument and national law, the Crime Act (POCA) 2002, which was supplemented by the 2007 concealing regulations. directly supported EU imposes a duty the Lawyers, accountants, tax advisors and insolvency practitioners has oblige to inform a suspect of information their clients and involved tax evasion, profits are made, required to report them (Winch 2006). In most cases, 'tipping' would be an offense if the reporter informed the topic about reports that a report made in relevant authorities (Sproat 2007; Winch 2006).

Australia, lawyers have the client's legal professional privileges and are required to report suspicious matters to AUSTRAC without the client's permission that a report may be planned. August 2008, the AM/CFT AUSTRAC rules effectively relieve legal practitioners from liability with relation to designated money transfer as services held in ordinary legal practice. In 2009. egal practitioners of liability in reference to custodial services, safekeeping or deposit boxes provided within the course of ordinary legal practice which a significant problem for the community to go with its AM/CFT requirement professional privileges. in contrast, professional in Canada necessity to report has been challenged by the law Society on the grounds duty limit Bar's independence and erode attorney-client privileges. Therefore, legal aspects of AM attorney-client relationship are eroded.

Canada The Department of Finance is undertaking this work in concert with the federal government departments and agencies that are part of Canada's AM/ATF Regime. Justice. Canada Exchanges are regulated essentially identical way as a money service business and are subject identical due diligence, recording, verification, and reporting obligations as MSB with reference to fiat currencies. Following the amendments to the Proceeds of Crime (Money laundering) and Terrorist Financing Act (PCMTFA) of July 2019, starting June 2020 all cryptocurrency exchanges must register with the Canadian Financial Reporting and Transaction

Analysis Center (FinTRAC) and, where applicable, befits margin assessment requirements and market. In February 2020, with regard to Virtual Currencies it is mandatory for all financial institutions and money service businesses (MSB) to record all cross-border cryptocurrency transactions (along with all electronic funds transfers) to comply with the requirements launched in the PCMTFA. This guide presents how FINTRAC approaches the harm done criterion and the base penalty amount for violations under the Proceeds of Crime (Money laundering) and Terrorist Financing Act (the Act) and its regulations

In Hongkong, the Society of Hongkong issued legal professionals and courts uphold the rights of legal professionals as a basis for not disclosing suspicious transactions (Seah, 2011). Evaluation relating FATF shows that port isn't in compliance with FATF Recommendation because of weak and non-existent relevant with regulations for business and designated non-financial professions that include lawyers (Seah, 2011).

Law Number 18 of 2003 concerning Advocates which explicitly states advocates as law enforcers and has the identical position as other law enforcers, during this case substantially this recognition has made the advocate profession an honorable profession (*officium nobile*). Philosophy of advocates as defenders by all means there's nobody rule or teaching that may justify a specific profession can hide one's crimes.

To ensure trust within the advocate profession, knowledgeable advocate must have the flexibility with several benchmarks, including moral integrity, competence or skill expertise, independent (neutral), in favor of the values of justice and legal truth, and compliance with ethics. his profession. Prevention and eradication of the crime of cash laundering, advocates who are framed in sufficient moral integrity and side with the values of justice and truth will definitely not turn a blind eye to criminal acts committed by their clients.

In respect to the prevention and eradication of cash laundering, advocates as law enforcers can act as reporting parties for suspicious financial transactions. This task is additionally in line with the advice of 40 + 9 from the FATF which needs certain professions, including advocates, as parties who are subject to the duty to report suspicious financial transactions so as to ascertain an anti-money laundering regime. All loopholes which will be used as a mode for hiding must be closed tightly. Advocates can therefore play a full of life role in efforts to stop and eradicate concealing.

This encourages the govt to maximise its efforts to stop and eradicate concealing. By issuing. Regulation. Number. 43. of. 2015. relating. Prevention. and. Eradication. of. the. Crime. of. cash laundering.. The reporting parties mentioned in Article 3 of state Regulation Number 43 of 2015 are:

1. advocate;
2. Notary. Public;
3. Land Titles Registrar;
4. Accountant;
5. Public. Accountant; And
6. Financial. Planner

### **3.2 The Crime of Money Laundering and Tax Evasion Through Cryptocurrency Crypto Asset Regulation in Indonesia**

Cryptocurrency could be a digital asset that functions as a medium of exchange using cryptography as a security system. it's said to be digital because cryptocurrency doesn't have a

physical form, but this currency still has value because it may be used as a method of payment. Cryptocurrency can even be defined as peer to see transactions that facilitate the exchange of digital money.

In Indonesia Cryptocurrency is defined as Crypto Asset. Crypto assets to be traded, first be registered with Commodity Futures Trading Regulatory Agency (CoFTRA), this registered to established regulations. Analytical Hierarchy Process (AHP) valuation method. The terms of Crypto Assets be traded within the Crypto Asset Physical Market discuss with CoFTRA Regulation Number 8 of 2021. Crypto assets that may be traded domestically are regulated in CoFTRA's Regulation Number 7 of 2020 concerning the Establishment of an inventory of Crypto Assets which will be Traded within the Crypto Asset Physical Market. Crypto assets that are traded are supported Bapepti's assessment results with the subsequent conditions:

- a. market capitalisation value (market cap) Crypto Assets (coin market cap)
- b. Enter within the transactions of the world's largest Crypto Asset exchanges
- c. economic benefits, taxation, growing the digital economy, the informatics industry and competition for experts within the field of informatics (digital tokens), and
- d. A risk assessment .

Crypto assets within the type of a blockchain network that regulates the provision of crypto assets, then the server/mining will verify transactions on the blockchain and issuance of crypto assets. The issuance of crypto assets is restricted to a specific amount at a particular time at a particular time per the algorithm, so there's no inflation. The electricity and server fees for the issuance of crypto assets that form the premise for the underlying value of the crypto assets created from the blockchain system.

Crypto assets are digital assets, built on cryptography, peer to look network system, and listed on a decentralized distributed ledger, used to manage creation of new units, verify every transaction, and secure transactions without interference from other parties.. The digital physical style of crypto assets may be stored in hardware wallets like and walls like flash drives/ledgers, further as web wallets like flash ledgers, further as web wallets and software wallets on IOS/Android-based gadgets.

### **Crypto Asset Trading Mechanism**

1. Customers make transactions to sell or buy Crypto Assets through Physical Crypto Asset traders after passing the Know Your Customer (KYC) procedure. open an account and have an account to transact. Transactions may be within the style of exchange (purchase): Crypto Assets with Flat Money (IDR) – (or vice versa).
2. Customers who wish to get Crypto Assets deposit funds into a Segregated Account of the Crypto Asset Physical Trader, 70% of the funds are deposited in Futures Clearing and 30% are deposited within the Crypto Asset Physical Trader
3. 70% of the crypto assets that are transacted are stored within the Custodian (Custodian) and 30% are traded in Physical Crypto Assets, both “Hot Wallet” and “Cold Wallet”.
4. Futures Clearing records financial transactions and Crypto Asset ownership at the Crypto Asset Physical Merchant, then verifies the financial amount with Crypto Assets, then verifies the financial amount with Crypto Assets at the Depository Manager
5. Reporting transaction data from Crypto Asset Physical Traders, Futures Clearing and Depository Managers to the Crypto Asset Exchange as price reference and market monitoring.

Crypto asset trading supported Article 3 paragraph 2 of Babpepti Regulation No. 8 of 2021, concerning Guidelines for Trading Operators within the Physical Market of Crypto Assets on the Futures Exchange;

1. supported distributed ledger technology;:
2. within the variety of Utility Crypto Assets or Crypto Backed Assets, and
3. already has the results of an assessment using the Analytical Hierarchy Process (AHP) method determined by BAPEBTI

Types of Crypto Assets which will be traded Physical Traders of Crypto Assets are determined by the pinnacle of CoFTRA within the list of Crypto Assets traded within the Physical Crypto Asset Market. supported data from the Commodity Futures Trading regulatory authority (CoFTRA), the quantity of consumers for Indonesian crypto assets in trading reached 7.5 million people at the top of last year. The figure has almost doubled or 87.5% compared to the 2020 record, which is four million people.

### **Concealing of Money Laundering**

The Anti-Money Laundering (AML) regime could be a regime want to eradicate concealing offenses using various legal instruments and collaboration with related institutions like courts, enforcement and financial institutions. First appeared within the us within the 1930s the definition refers to the mafia's actions in processing the proceeds of crime to be mixed with legitimate businesses to show the proceeds of crime into money "clean". Before 1986, concealing wasn't against the law, on the other hand the practice of cash laundering isn't any longer as simple as that of Capone or Meyer Lansky. The international world prohibits narcotics crimes and hiding. This agreement is ready forth in a global convention on hiding "The United Nation Convention Against Illicit Traffic in Narcotic, Drugs and Psychotropic Substances of 1998, commonly brought up because the Vienna Convention, also referred to as the UN Drugs Convention 1998, which needs its members to declare criminal acts against perpetrators of certain actions associated with narcotics and concealment

### **Swiss**

Swiss as a rustic that implements banking regulations has been criticized by many voters of the globe community for imposing such strict bank regulations, especially within the field of bank secrecy, in order that land state is employed by many hiding actors as an area to store money that's illegal. However, Swiss doesn't enforce laws to eradicate concealment, because in its system there are provisions that prohibit the practice of cash laundering. within the Swiss Criminal Code, there are threats of imprisonment and fines for people who do hiding activities. Anyone who doesn't invite the identity of the beneficial owner of the assets (funds) within the bank is additionally threatened with criminal sanctions. during this country, the Know Your Customer principle has been implemented supported the 1997 Law. supported this principle, for instance, financial intermediaries are required to conduct due diligence on their customers. This due diligence is required if there are the following:

- a. Verification of the identity of the contracting partner if the transaction reaches a particular amount;
- b. Verification of the identity of the owner if the contracting partner isn't a beneficial owner;
- c. Qualifications regarding the economic background and also the purpose of the transactions disbursed for hiding;
- d. Perform re-verification if there's doubt about the contracting partner or beneficial owner during the transaction;
- e. Keep documentary evidence for 10 years after the transaction;
- f. Establish clear criteria and policies in combating money laundering, including anticipating any requests for information. In 1997, Switzerland passed the money Laundering Act,

which took effect on April 1, 1998. The scope of this Act regulates all financial intermediaries, banks, mutual funds, insurance companies that are investment, capital market brokers. Of the six models of enforcement in other countries as described above, the Indonesian government can take steps to stop the utilization of digital currency as a way of cyber laundering crimes.

Indonesia jointly of the countries in geographic area with a reasonably high virtual currency transaction must make laws and regulations that specifically regulate virtual currency transactions. will be } so virtual currencies can be monitored for his or her use so that they aren't used as a method of money laundering crimes.

In its preparation, regulators can sit down with international concealment conventions that are ratified, like the Palermo Convention. additionally, the regulator can review the regulations of other countries that have regulated similar efforts to be used as input. the freedom Reserve case are often used as a comparison that doesn't apply Know Your Customer Principles in its business operations.

The State of Indonesia can prevent similar cases from occurring by requiring virtual currency service providers to implement an identification mechanism for service users, furthermore because the origin of the source of funds supported Know Your Customer Principles pertaining to article 2 paragraph (2) of Bank Indonesia Regulation Number: 3/10/PBI/2001 concerning the appliance of Know Your Customer Principles, virtual currency service providers must apply Know Your Customer Principles by stipulating:

- a. Customer acceptance policy;
- b. Policies and procedures for identifying customers;
- c. Policies and procedures for monitoring Customer accounts and transactions;
- d. Risk management policies and procedures associated with the implementation of Know Your

### **Customer Principles**

Know Your Customer Principles as regulated in laws and regulations may be used as preventive measures for the us, and as input for optimizing the implementation of Know Your Customer Principles through existing laws and regulations.

Optimizing the role of Know Your Customer principles are often done by amending the laws and regulations governing Know Your Customer principles, including Law Number 8 of 2010 concerning the Prevention and Eradication of the Crime of money Laundering (UU PP TPPU). The team for formulating the PP TPPU Law may make amendments by adding "fiat/official/legal exchanger service providers to virtual money and vice versa" jointly of the Reporting Parties. Thus, each exchanger is obliged to use Know Your Customer principles in running their business.

The principle of knowing customers is defined for one in all the Reporting Parties within the Law on Money Transfers, namely "the organizer of cash transfer business activities" like the redefinition of cash transmission services allotted by FinCEN.

The word "money" within the phrase "provider of cash transfer business activities" doesn't explain what money is supposed in what form, whether it's only fiat/official/legitimate currency or includes money in other forms. Therefore, so as to forestall the employment of digital currency as a method of cash laundering crime, it's necessary to create a definition of "provider of cash transfer business activities" such as: receiving currency, variety of funds, or other sorts of value that replace the currency of someone and sending currency , a sum of funds, or the other variety of which substitutes currency to a different location or another person in any way.

With this definition in situ, automatically "remittance providers" who serve money transfers within the type of digital currency are required to use Know Your Customer principles in every transaction that happens. Indonesia's position which doesn't recognize Virtual Currency as a legal means of payment and doesn't classify it into other forms, like property, causes all activities that use digital currency can't be taxed.

The criminal investigation unit based on Article 69 of Law Number 8 of 2010 has changed the formulation of TPPU in Article 3; Article 4, Article 5, additionally, Article 69 of Law Number 8 of 2010 state that it's not mandatory to prove it beforehand, with this purpose it doesn't mean that in conducting investigations, prosecutions, and examinations in court, it's elective to prove the crime original crime.

### **Typology of Prevention of cash Laundering Through Digital Currency**

It is necessary to possess an initial understanding of the risks faced in order that preventive (soft approach) and eradication (hard approach) treatments are applied by each stakeholder per their duties and functions within the type of supervision and regulation yet as laws. Its enforcement is predicted to own a decent impact so the crime of cash laundering may be resolved to its roots. Law Number 8 of 2010 concerning Prevention and Eradication of the Crime of cash Laundering provides new tasks, powers and work mechanisms for regulators/supervisors. and regulatory agencies, enforcement agencies, and other related parties, efforts to forestall hiding and combat concealing are among others administrated by the Supervisory and regulatory authority through regulations or policies issued especially those referring to the implementation of the principle of introducing service users and reporting. by the reporting party, in addition as other activities like socialization and coordination.

Prevention or enforcement efforts are meted out by investigators, public prosecutors, and judges by involving the role of the PPK and also the reporter. As a front liner, the Reporting Party submits reports on Suspicious Financial Transactions and Cash Financial Transactions to the Financial Transaction Reports and Analysis Center for analysis. within the event that there are indications of the Crime of cash Laundering or other criminal acts, the Analysis Report or Audit Report is submitted to the investigator for the predicate crime which has the Police, the Prosecutor's Office, the Corruption Eradication Commission, the National Narcotics Agency, the Directorate General of Taxes, and therefore the Directorate General of Customs and Excise

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 the Prevention and Eradication of Money Laundering came with a new spirit and paradigm, namely synergizing efforts to prevent and eradicate money laundering further increasing public confidence both within and outside the country.

abroad against enforcement in Indonesia within the case of cash laundering:

Every country has made corruption an act that has to be aloof from all countries, at the G-20 meeting in capital of Argentina, Argentina discussed about Bitcoin et al, a trade system should be established, through short-term oversight for anti-money laundering regulations against concealment through the shape of cryptocurrencies or crypto assets.

The Center for Financial Transaction Reports and Analysis has established a special field that deals with financial technology (fintech) and cyber crime. additionally, the Financial Transaction Reports and Analysis Center also coordinates with Bank Indonesia (Bank Indonesia/BI) and therefore the Financial Services Authority to observe the utilization of digital

currency (Taher, 2017). Cryptocurrency investments from illicit proceeds need special regulations in order that cryptocurrency monitoring users is monitored more optimally.

The Minister of Trade participated in providing general policies for the availability of Crypto Asset Trading Futures (Crypto Assets) within the Minister of Trade Regulation Number 99 of 2018 concerning bitcoin regulations in Indonesia, the power for bitcoin transactions by users to be applied will result in potential illegal transactions like concealment. this can be exacerbated by the convenience of bitcoins being exchanged for national currencies. The financial institution as a regulator, will be worried if bitcoin users soar in order that the national currency in a very country is not any longer an efficient means of payment in managing the country's economy. Without control over virtual currencies, central banks cannot reserve the worth of bitcoin and other virtual currencies to manage price fluctuations and inflation.

The IMF also features a considerable influence on the policies of the Indonesian government and even other countries, the IMF has to provide special policies so the matter worldwide is concealing within the style of cryptocurrencies because concealing contains a big impact on a rustic because it can reduce the standard of lifetime of the community, and increase concerns about national security, on the opposite hand the private sector will have a control on the micro economy, the occurrence of economic instability, further as loss of state revenue from tax payment sources, and supply opportunity for criminals or criminals to expand crime operations. Efforts to eradicate concealment can cash in of the results of the National Risk Assessment (NRA) conducted in 2015, which has placed narcotics, corruption and tax crimes as high-risk crimes nationally. Mitigation is one amongst the steps that may be taken by conducting an in-depth risk assessment specifically for narcotics crime, corruption, and taxation. In relevancy sectoral assessment studies, PPATK along with stakeholders do a sectoral assessment of money laundering offenses.

Money Laundering Symposium as an autonomous regional anti-money laundering body. APG is created by FATF and FATF associate members so the fulfillment of the FATF Forty Recommendations and Eight Special Recommendations is achieved within the Asia/Pacific region, likewise as facilitate cooperation between governments in eradicating hiding crimes through criminalization of cash laundering crimes (proceeds of crime) mutual legal assistance (MLA), confiscation, forfeiture, and extradition Indonesia's involvement during this task force further demonstrates Indonesia's commitment within the international community to combat concealing. Efforts for Indonesia's full membership to the FATF are started since 2017 ranging from the submission of a letter of commitment from the Indonesian government, approval of the Indonesian membership process by the FATF, the implementation of a High Level Visit between the FATF President and also the Heads of the relevant Ministries/Institutions, to the determination of Indonesia's status as an observer within the FATF Plenary dated 29 June 2018. Indonesia's membership process on FATF remains continuing, namely through Indonesia's success within the Mutual Evaluation Review (MER) of Indonesia by the FATF during 2019 to 2020 .

#### **Legal Basis for Criminalization of cash Laundering and Tax Violations**

1. The legal basis for criminalizing concealing and Indonesian Tax Violations is as follows;
2. Law Number 15 of 2002 concerning the Crime of money laundering
3. Law Number 25 of 2003 concerning Amendments to aw Number 15 of 2002 concerning the Crime of money laundering
4. Law Number 8 of 2010 concerning Prevention and Eradication of the Crime of cash Laundering regulates the kinds of M in 7 articles, namely Articles 3 to 10. As for other types of criminal acts associated with M in 6 articles, namely Article 11 to Article 16.

5. Regulation of the Supreme Court number one of 2013 concerning Procedures for Settlement of Applications for Handling Assets within the Crime of cash Laundering or Other Crimes
6. Government Regulation of the Republic of Indonesia Number 82 of 2012 concerning the Implementation of Electronic Systems and Transactions
7. Regulation of the Commodity Futures Trading Supervisory Agency Number 8 of 2021 concerning Guidelines for the Implementation of Crypto Assets Physical Market Trading on the commodity exchange
8. Regulation of the Commodity Futures Trading administrative unit Number 7 of 2020 concerning Stipulation of the list of Crypto Assets which will be Traded within the Physical Crypto Asset Market
9. Law Number 28 of 2007 concerning General Provisions and Tax Procedures
10. Supreme Court Circular Number 10 of 2020 concerning the Implementation of the Formulas of the Results of the 2020 Supreme Court Chamber Plenary Meeting as Guidelines for the Implementation of Duties for the Court
11. Regulation of the Minister of Finance Number 239/PMK.03/2014 concerning Procedures for Examination of Preliminary Evidence of Criminal Acts within the Taxation Sector
12. Law No. 25 of 2007 concerning Investment in Article 3 paragraph 3 of corporate crimes within the type of tax crimes.

#### **Cryptocurrency Misuse in concealing and Tax evasion**

As a member of the G-20, Indonesia continues to support efforts to combat evasion and concealment, one among which is by participating in global anti-tax evasion forums. nonpayment could be a criminal offense and evasion could be a virus that's inherent in every legal system that applies in almost every jurisdiction.

The legal rules for tax violations in Indonesia are regulated in Articles 38 and 39 of Law Number 16 of 2009 concerning General Provisions and Tax Procedures. during this law, if a taxpayer doesn't submit an SPT or has submitted an SPT are incorrect or incomplete, the taxpayer is subject to fines and criminal sanctions if there's a criminal element in it. Other rules governing tax crimes are contained based on Article 33 paragraph (3) of Law no. 25 of 2007 "Tax crime" shall mean incorrect information on statement about tax collection by giving letter of notice, but the content is incorrect or incomplete, or by attaching incorrect information so as to inflict damage to the state, and any other crimes set forth in the rules of law concerning taxation.

Cases of evasion that have recently been rampant in Indonesia are still included in acts of corruption. so far there's no orient the taxation aspects associated with bitcoin or other sorts of virtual currencies.

The absence of tax provisions on digital currency transactions ends up in no control over the transactions made. this may increase the likelihood of using digital currency as a method of cash laundering through cyberspace. Therefore, it's important for the Indonesian government to control taxation on digital currency transactions which function revenue for the state treasury and as a method of control over digital currency transactions. Control over digital currency transactions aims to forestall the employment of digital currency as a method of cash laundering through cyberspace

In Singapore, the IR Authority of Singapore (IRAS), as of January 2019 has the ability to arrest and detain individuals who commit serious tax offenses, or anyone obstructing the confiscation of evidence:

- a. when making an arrest, the tax investigator will inform the one who are going to be arrested for the violation he has committed.
- b. someone who is arrested are searched upon arrest, an exploration on women are administered by a female investigat.
- c. someone who is arrested are often detained for up to 48 hours, after which he are often prosecuted in court or released on bail pending further investigation.

In addition to comparisons with other countries as described above, there are laws and regulations apart from within the field of taxation which are used as a reference within the preparation of regulations associated with the implementation of tax crimes as follows.

- a. supported Article 43A paragraph (1) of the KUP Law, it's affirmed that the Director General of Taxes supported information, data, reports, and complaints is allowed to conduct preliminary evidence examinations before investigating criminal acts within the taxation sector
- b. The Supreme Court Circular Number 10 of 2020 states that within the case of a tax crime, the Panel of Judges additionally to imposing a jail sentence also imposes a fine of a minimum of 2 (two) times or a maximum in accordance with the applicable provisions of the quantity of tax paid/deviated. by the Defendant. If the convict doesn't pay the fine no later than 1 (one) month after the court's decision has permanent legal force, then his property is confiscated by the prosecutor and auctioned off to hide the fine. within the event that the convict doesn't have sufficient assets to pay the fine, he's sentenced to a criminal sanction imprisonment for a maximum of 8 (eight) months which is calculated proportionally.
- c. Attorney General's Guidelines Number 2 of 2019 concerning Criminal Claims in Criminal Cases within the Taxation Sector. Chapter II of Roman Criminal Claims XIII states that so as to optimize the payment of criminal fines, tax investigators confiscate as observed within the elucidation of Article 44 paragraph (2) letter e of the KUP Law which states that the confiscation will be distributed both on movable and immovable goods, including bank accounts, receivables and securities belonging to the taxpayer, the tax bearer and/or other parties who are designated as suspects by seizing the assets belonging to the suspect.

In this era, the existence of cryptocurrencies is incredibly attractive within the world, the performance of which has significantly improved from 2018. it's great potential to be considered capable of influencing the planet economy, till now only some countries have recognized the existence of cryptocurrencies including the us, Japan, Asian nation, Finland, China, Russia and Indonesia . Support and opposition from other countries have also contributed to the presence of this crypto money, additionally to a global institution called the International fund (IMF) which is an intergovernmental organization under the auspices of the us with the aim of maintaining international economic stability.

#### **4 Conclusion**

- 1. Legal rules a source of governing the role profession as a reporting party to prevent and eradicating for money laundering crimes and tax evasion. The legal rules are governing to the role of the profession as a reporting party in preventing and eradicating money laundering crimes. The reporting parties mentioned in Article 3 of state Regulation Number 43 of 2015 are:
  - a. advocate;
  - b. Notary Public;
  - c. Land Titles Registrar;
  - d. Accountant ;

- e. Public Accountant; And
- f. Financial Planner

Article 69 of Law Number 8 of 2010 concerning the Prevention and Eradication of Money laundering states that it is not mandatory to prove it however, this does not mean that. in. relation to investigation, prosecution, and examination in court, there is no obligation to prove the predicate crime. Policy Approach and Values in Criminal Law Policy, there are two central problems in implementing criminal policy (Criminal Law), namely determining what actions should be made into criminal acts and what sanctions should be used or imposed on violators, in this case the perpetrators of the crime of laundering. Money then Non-Penal Approach (approach outside the Criminal Law).

2. Cryptocurrency is currently used as a medium for money laundering into a form of cryptocurrency investment, or diverting the physical condition of illicit money obtained in other forms. Changing conditions from ordinary money to cryptocurrencies has a high degree of difficulty in tracking transactions. The FATF-compliant definition of bitcoin virtual currency, digital exchange rates can be traded virtually, and function as a medium of exchange, not having legal tender status in any jurisdiction. Legal activity through bitcoin is only an investment, and it is vulnerable to money laundering, one example of a law enforcement model in several countries, such as Swis, where the Know Your Customer principle has been applied and the Criminal Code states that those who carry out money laundering activities are threatened with imprisonment and fines. Therefore, it is important for the Indonesian government to regulate taxation on digital currency transactions which serve as revenue for the state treasury and as a means of control over digital currency transactions. Control over digital currency transactions aims to prevent the use of digital currency as a means of money laundering through cyberspace.

## References

- [1] Badan Diklat Kejaksaan R.I. (2019). Modul Tindak Pidana Pencucian Uang (TPPU). Jakarta: Badan Pendidikan dan Pelatihan Kejaksaan Republik Indonesia Djumhana, Muhammad, (2012), Hukum Perbankan di Indonesia, Bandung: Citra Aditya Bakti.
- [2] Brown, Steven D. (2016). Cryptocurrency and criminality: The Bitcoin opportunity. The Police Journal: Theory, Practice and Principles Vol. 89(4). pp. 327–339 diakses dari jurnal PPATK
- [3] Dam Rani, "Uang Virtual sebagai sarana tindak pidana pencucian uang dalam Perdagangan saham" 2021
- [4] DeVries, P.D. (2016). An Analysis of Cryptocurrency, Bitcoin, and the Future. International Journal of Business Management and Commerce. 1(2),
- [5] Gallant, M. Michelle. Money aundering and the Proceeds of Crime: Economic Crime and Civil Remedies. UK: Edward Elgar Publishing imited.
- [6] ICJR. (2014). Meluruskan Arah Pengujian Anti Pencucian Uang di Mahkamah Konstitusi. Jakarta: Institute for Criminal Justice Reform
- [7] Maria Maneva Kainama, "Pencegahan dan penindakan Penggunaan Virtual Currency sebagai sarana kejahatan pencucian uang melalui dunia maya" Fakultas Hukum, Universitas Diponegoro Vol, 6, No. 1 (2017),
- [8] . . . Naziz,. M.. (1998).. Metode. Penelitian,. Jakarta:. Ghalia. Indonesia

- [9] Suhut. Tumpal. Sinaga, "Aspek. Perpajakan. dari. Transaksi. yang. Menggunakan. Bitcoin. di. Indonesia". yang. dimuat. dalam. Majalah. Inside. Tax., Juni. 2014
- [10] Susno. Duaji, Selayang. . Pandang. . dan. Kejahatan. . Asal,(Books. . Trade. . Center., . Bandung, 2009
- [11] Sutedi, A.(2008).. Tindakan. Pidana. Pencucian. Uang.. Bandung:. Citra. Aditya. Bakti. Hakristuti, H.. (2001).. Tindak. Pidana. Kesusilaan. dalam. Perspektif. Kitab.undangundang. Hukum. Pidana,dalam. Pandangan. Muhammad. Amin., dkk., Pidana. Islam. di. Indonesia(Peluang, Prospek.dan.Tantangan).. Jakarta:. Pusaka. Firdaus. . Naziz, M.. (1998).. Metode. Penelitian, Ghalia. Indonesia.. Jakarta.
- [12] . . Sugiyono, (2005), Memahami. Penelitian. Kualitatif, CV.. Alfabeta, Bandung..
- [13] Garnasih. Y.. (2003).. Kriminalisasi. Pencucian. Uang. (Money. aundering).. Dissertation. in. the. Postgraduate. Doctoral. Program. in. egal. Studies.. Jakarta:. Universitas. Indonesia, p. 45
- [14] Tim. National. Risk. Assessment. (2015). Indonesia. Tindak. Pidana. Pendanaan. Terorisme.Penilaian. Risiko. Indonesia. Terhadap. Tindak. Pidana. Pendanaan. Terorisme. Tahun. 2015. Pusat. Pelaporan. dan. Analisis. Transaksi. Keuangan. (PPATK, Jakarta
- [15] DeVries, P.D., (2016).. An. Analysis. of. Cryptocurrency, Bitcoin, and. the. Future.. International. Journal. of. Business. Management. and. Commerce.. 1(2).
- [16] MacDonald, R. J. . QC. (2010), 'Money. . aundering. . Regulation. –. What. . Can. be. . earned. from. theCanadian. Experience', ABA. Journal. of. the. Professional. awyers
- [17] Bank. Indonesia.. Peraturan. tentang. Persyaratan. dan. Tata. Cara. Pemberian. Perintahatau. Izin. Tertulis. Membuka. Rahasia. Bank. (Regulation. on. Requirements. for. Giving. Order. or. Written. Permission. to. Disclose. Bank. Secrecy).. No.. 2/19/PBI/2000.
- [18] ———.. Surat. Edaran. tentang. Penerapan. Program. Anti. Pencucian. Uang. dan
- [19] Pencegahan. Pendanaan. Terorisme. bagi. Bank. Umum. (Circulate. etter. concerning
- [20] Implementation. of. Anti-Money. aundering. and. Terrorist. Financing. Program. for
- [21] . . . . . General. Bank).. No.15/21/DPNP/2013.
- [22] The. legal. basis. for. criminalizing. concealing. and. Indonesian. Tax. Violations. is. as. follows;
- [23] Law. Number. 15. of. 2002. concerning. the. Crime. of. money. aundering
- [24] Law. Number. 25. of. 2003. concerning. Amendments. to. aw. Number. 15. of. 2002. concerning. the. Crime. of. money. aundering
- [25] Law. Number. 8. of. 2010. concerning. Prevention. and. Eradication. of. the. Crime. of. cash. aundering. regulates. the. kinds. of. M. in. 7. articles, namely. Articles. 3. to. 10.. As. for. other. types. of. criminal. acts. associated. with. M. in. 6. articles, namely. Article. 11. to. Article. 16.
- [26] Regulation. of. the. Supreme. Court. number. one. of. 2013. concerning. Procedures. for. Settlement. of. Applications. for. Handling. Assets. within. the. Crime. of. cash. aundering. or. Other. Crimes
- [27] Government. Regulation. of. the. Republic. of. Indonesia. Number. 82. of. 2012. concerning. the. Implementation. of. Electronic. Systems. and. Transactions
- [28] Regulation. of. the. Commodity. Futures. Trading. Supervisory. Agency. Number. 8. of. 2021. concerning. Guidelines. for. the. Implementation. of. Crypto. Assets. Physical. Market. Trading. on. the. commodity. exchange
- [29] Regulation. of. the. Commodity. Futures. Trading. administrative. unit. Number. 7. of. 2020. concerning. Stipulation. of. the. ist. of. Crypto. Assets. which. will. be. Traded. within. the. Physical. Crypto. Asset. Market
- [30] Law. Number. 28. of. 2007. concerning. General. Provisions. and. Tax. Procedures
- [31] S/upreme. Court. Circular. Number. 10. of. 2020. concerning. the. Implementation. of. the. Formulas. of. the. Results. of. the. 2020. Supreme. Court. Chamber. Plenary. Meeting. as. Guidelines. for. the. Implementation. of. Duties. for. the. Court
- [32] Regulation. of. the. Minister. of. Finance. Number. 239/PMK.03/2014. concerning. Procedures. for. Examination. of. Preliminary. Evidence. of. Criminal. Acts. within. the. Taxation. Sector
- [33] Law. No.. 25. of. 2007. concerning. Investment. in. Article. 3. paragraph. 3. of. corporate. crimes. within. the. type. of. tax. crimes

- [35] Article. 4. of. aw. Number. 19. of. 2016. Amendments. to. aw. Number. 11. of. 2008. concerning. Electronic. Information. and. Transactions. stipulates. that. the. use. of. knowledge. technology. and. electronic. transactions
- [36] Anisa. Giovanny.. Bitcoin. egal. Digunakan. di. Negara-Negara. Ini.. Retrieved from:<https://coinvestasi.com/belajar/negara-bitcoin-legal/>.. 2019.. (Accessed. on. April. 9, 2020).
- [37] Cambridge.Dictionary.“Revenue.”<http://dictionary.cambridge.org/us/dictionary/english/revene..> Accessed. 8. February. 2016.
- [38] Dhoni. Siamyah. Fadillah. Akbar,. “Regulasi. Mata. Uang. Virtual. untuk. Mencegah. Tax. Evasion”. (Artikel. Opini,. Kementerian. Keuangan. Republik. Indonesia,. 2016)
- [39] Garnasih. Y.. (2003).. Kriminalisasi. Pencucian. Uang. (Money. aundering).. . Disertasi. pada. Program. Pascasarjana. Program. Doktor. Ilmu. Hukum.. Universitas. Indonesia.. Jakarta..
- [40] Suhut. Tumpal. Sinaga,. “Aspek. Perpajakan. dari. Transaksi. yang. Menggunakan. Bitcoin. di. Indonesia”. yang. dimuat. dalam. Majalah. Inside. Tax,. Juni. 2014
- [41] United. Nations. Office. on. Drugs. and. Crime. (UNODC).. “Thematic. Programme:. Action. Against. Corruption. and. Economic. Crime.”. 2010-2011.. [http://www.unodc.org/documents/corruption/Thematic\\_Programme/Thematic\\_Programme\\_on\\_Corruption-mai\\_2010.pdf](http://www.unodc.org/documents/corruption/Thematic_Programme/Thematic_Programme_on_Corruption-mai_2010.pdf)
- [42] . Financial. Transactions. and. Reports. Analysis. Centre. of. Canada.. Retrieve. from <https://www.fintrac-canafe.gc.ca/intro-eng>
- [43] <https://katadata.co.id/intannirmala/digital/61e0f412072b8/transaksi-kripto-naik-600-pasar-proyeksikan-tren-berlanjut-di-2022>
- [44] Pusat. . . Pelaporan. . . Analisis. . . dan. . . Transaksi. . . Keuangan.. . . Pengkinian. . . Penilaian. . . Resiko. Indonesia. Terhadap. Pencucian. Uang. Tahun. 2015.. Retrieved. from [:http://www.ppatk.go.id/publikasi/read/92/pengkinian-penilaian-risiko-indonesia-%20terhadap-pencucian-uang-tahun-2015.html](http://www.ppatk.go.id/publikasi/read/92/pengkinian-penilaian-risiko-indonesia-%20terhadap-pencucian-uang-tahun-2015.html).. 2019.
- [45] <https://www.ojk.go.id/apu-ppt/id/berita-dan-kegiatan/info>. terkini/Pages/Pelaksanaan-MER-terhadap-Indonesia-tahun-2019-2020.aspx
- [46] IRAS,.Severity.of.Tax.Evasion,.diakses.dari.<https://www.iras.gov.sg/irashome/Businesses/Companies/Getting-it-right/Tax-Evasion-or-Fraud/Investigation-by-IRAS/>
- [47] <https://www.ojk.go.id/apu-ppt/id/berita-dan-kegiatan/info>. terkini/Pages/Pelaksanaan-MER-terhadap-Indonesia-tahun-2019-2020.aspx
- [48] Peraturan. Badan. Pengawas. Perdagangan. Berjangka. Komoditi,. diakses. dari. [https://bappebti.go.id/resources/docs/peraturan/sk\\_kep\\_kepala\\_bappebti/sk\\_kep\\_kepala\\_bappebti\\_2020\\_12\\_01\\_i6tg8tfb\\_id.pdf](https://bappebti.go.id/resources/docs/peraturan/sk_kep_kepala_bappebti/sk_kep_kepala_bappebti_2020_12_01_i6tg8tfb_id.pdf).
- [49] . <https://www.dlapiperdataprotection.com/index.html?t=law&c=ID>