

# Juridical Analysis of the Use of Bitcoin Virtual Currency as a Means of Criminal Money Laundering

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**Abstract.** Cryptocurrency is a digital commercial object used in electronic transactions. The aim is to explore strategies to combat money laundering through digital media which considers the Bitcoin virtual currency a legal activity in the country to be used for illegal activities such as money laundering. A normative juridical approach with a conceptual framework as the method, a juridical-empirical approach analyzes various legal regulations relating to the use of the virtual currency Bitcoin and money laundering crimes. The research results explain the crime of money laundering based on Law no. 8 of 2010 concerning Prevention and Eradication of Money Laundering and Minister of Trade Regulation no. 99 of 2018 concerning Crypto Asset Trading Organizations. juridical analysis of the minister's laws and regulations to prevent cryptocurrency or money laundering related to Bitcoin virtual money which requires crypto asset trading entities registered on futures exchanges to comply with banking principles.

**Keywords:** Juridical Analysis, Bitcoin Virtual Currency, Money Laundering Crime

## 1 Introduction

The increasingly advanced development of technology carries the risk of deviations in the use of this technology with negative purposes. As quoted by Yunus Husein, that the more advanced a country's economy and financial system becomes, the more tempting it is for criminals to carry out their crimes and generally carried out through financial system services, namely money laundering.[1]

Money Laundering through Virtual Currency, commonly known as Bitcoin, is a new method that can be used by someone to launder money from criminal acts. This money laundering method utilizes advances in cyber technology which is also called Cyber Laundering, which is the use of electronic transfer methods using the internet in order to disguise the source. illegal funds, this type of crime occurs due to the emergence of virtual currency which has spread to various electronic payment network systems. The development of accessibility in the cyber world has created many phenomena in it, one of the phenomena that is in the spotlight is the emergence of a virtual currency or cryptocurrency called Bitcoin.[2]

Bitcoin is one several digital currencies that first appeared in 2009 were introduced by Satoshi Nakamoto as digital currencies that use peer-to-peer network technology, so that when carrying out transactions buyers and sellers are automatically recorded and stored in a blockchain database network, in other words, Blockchain is an accounting system for Bitcoin. Transaction records or records on the blockchain are transparent and can be accessed by the

public. Blockchain is also called distributed ledger technology.[3] Understanding blockchain is a system that uses a secret method known as cryptography and uses special mathematical algorithms to create and analyze data structures that are constantly changing, to which data that cannot be added cannot be added. can be removed as a system of business blocks. Blockchain is a ledger of records in the network that is not easy to access because the blockchain network uses a special type of encryption so that transaction details cannot be found easily.

The issue arises as to whether cryptocurrencies are synonymous with crimes such as money laundering, given the general concealment and deliberate camouflage of the proceeds of legal irregularities through cryptocurrency channels. Cryptocurrency is a non-physical monetary form recorded as information data that currently dominates global transactions, using a peer-to-peer system, a server-based alternative network structure. In a network individual computers function as master servers, responding to and managing information requests from users. In essence, Peer to peer networks shorten transaction paths by eliminating intermediary entities. Indonesia is one of the third most populous countries internationally with the highest internet users, including a surge in cryptocurrency transactions. Because Indonesia continues to develop, it is increasingly adapting to cryptocurrency transaction trends. The hope is that it can encourage domestic and foreign investment activities to encourage national economic growth and development. Research on Bitcoin virtual money improves previous research on cryptocurrency by Anton Attorney Trisakti and Eko Soponyono.[4] In particular, the initial study entitled "Preventing Crime Against Money Laundering in the Form of Cryptocurrency (Bitcoin) Using the Principle of Banking Prudence." This research applies the principle of banking prudence in combating money laundering crimes involving cryptocurrency (bitcoin). As a result, the findings show that mitigation of money laundering related to Bitcoin can be carried out by Crypto asset trading institutions through the application of prudent banking principles, providing information to the public who will use Bitcoin virtual money as their business area to increase knowledge about the advantages and disadvantages. The next academic investigation is denoted as "Study on Money Laundering and Tax Avoidance Practices in Cryptocurrency Transactions in Indonesia" by Delvin Hari Sutra Seemadi.[5] This scientific writing concerns Bitcoin's status as a cryptocurrency by controlling the most basic markets, emphasizing its benefits as an investment facility, for purchasing goods and services, and as a means for mining. However, this scientific work emphasizes that cryptocurrency also has a function as an indicator of money laundering because its inherent characteristics make it difficult to understand and resistant to freezing. The third scientific article is entitled "Cryptocurrency Investment Based on Commodity Futures Trading Supervisory Agency Regulation No. 5 of 2019" by Dewa Ayu Fera Nitha and I Ketut Westra.[6] The research focuses on the government's efforts to plan a legislative framework regarding crypto asset trading to provide government recognition for bitcoin and these virtual currencies. From this exposition, fundamental questions arise regarding whether cryptocurrency is a means of money laundering business. Meanwhile, Bank Indonesia issued an official prohibition regulation that explicitly prohibits cryptocurrency trading and financial services as well as facilitating transactions related to cryptocurrency.

Listed in Bank Indonesia Regulation no. 18/40/PBI/2016 concerning Financial Transaction Processing Regulations and Bank Indonesia Regulation no. 19/12/PBI/2017 concerning Financial Technology Organizations, explains that payment system service providers also prohibit transactions using virtual currency, misuse of customer information

and data, as well as payment transaction information and data, supervising assets that have a value equivalent to money. can be used outside the realm of the respective payment system service provider. Furthermore, in the Bank Indonesia Regulation, penalties are imposed on payment system service providers through administrative actions such as warnings, fines, temporary suspension of part or all of payment system service activities, and revocation of permits as Payment System Service Providers. Failing to address the problems regarding Bitcoin virtual money will provide opportunities for corrupt actors with new avenues to launder the proceeds of their illegal activities.

Despite the benefits and convenience of owning Bitcoin virtual money, there is a downside risk that it is susceptible to mechanisms for committing money laundering offenses, an attribute of the nature of this currency. It is still not clear how it is mentioned in financial transactions such as receipts, transfers, deposits, withdrawals, transfers, payments, gifts, donations, custody and/. or exchange of money or other actions and/or activities related to money. In the context of money laundering crimes, Bitcoin virtual money technology has the potential for criminal acts. Legal certainty regarding legality, marketing and distribution of goods in Indonesia is still in the legal vacuum stage. This causes negative opinions towards the use of Bitcoin virtual money. Efforts to overcome crime through the creation of criminal laws as an effort to protect society, therefore criminal law legislation is part of social policy, which means all efforts to achieve social welfare, through reforming criminal law is closely related to the background of sociopolitical, sociophilosophical, sociocultural aspects. , or various social policies, criminal policies and law enforcement policies.[7] This research aims to explore strategies for eradicating money laundering through digital media which considers the Bitcoin virtual currency to be a legal activity in the country for use in illegal activities like money laundering.

## **2 Problem**

- a. How is the Bitcoin virtual money that is currently being developed a means of criminal money laundering?
- b. How can juridical analysis based on Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering be used as a basis for prosecuting Bitcoin virtual money laundering?

## **3 Method**

This research uses a juridical empirical method, a juridical approach to analyze several laws and regulations related to the use of the virtual currency Bitcoin as a means of money laundering crimes. An empirical approach is used to analyze behavior and actual conditions that occur in society. In particular, it uses descriptive research through presenting a complete picture related to social problems or is intended to explain and inform about a phenomenon or social reality, by connecting facts and descriptions of legislation related to several legal theories as well as the practice and implementation of positive law related to Bitcoin virtual currency issue against Money Laundering Crime. In this research, data from various sources that have been collected will be analyzed. The data used is primary data as the basic material. from the first source in the field, namely through the Indonesian Crypto Asset Traders

Association and Information and Documentation Management Officers of Bank Indonesia and secondary data using library data including primary legal materials, secondary legal materials and tertiary legal materials.[8]

## **4 Discussion**

### **4.1 Bitcoin virtual money, which is currently being developed, is a means of criminal money laundering**

Advances in technology and information cannot be separated from innovations that continue to develop from time to time, including in the financial sector. In the world of banking, there is a new discovery of Bitcoin virtual money that has no form. This money is starting to be used as a means of payment in the digital world. This transaction aims to make payments easier. Blockchain technology makes transactions easier and costs cheaper and more efficient. From a technical point of view, cryptocurrency is a financial technology innovation that will replace paper money in any transactions in the future considering that Indonesia is a large internet user country, of course this has an influence on virtual currencies too, but use is still minimal in Indonesia because the government through Indonesian banks is still prohibits the use of such currency.

The laws that apply in Indonesia use everyday currency as the currency issued by Bank Indonesia and recognized by the government as the Rupiah. This concept originates from Law Number 7 of 2011 concerning Finance, which in essence in Chapter 1 Article 1 explains that finance is money issued by the Republic of Indonesia, the United States, which is then called Rupiah. Then it is agreed in Article 2 that money is a legal means of payment. On the basis of these two articles, it is explained that the official currency used in Indonesia is the Rupiah. Therefore, apart from rupiah, the use of virtual currency as a means of payment is prohibited. Then, if we look at Law 11 of 2008 concerning Information and Electronic Commerce, it is explained in Chapter 1 Article 1 paragraph 2, that electronic commerce is a legal act using computers, computer networks and/or other electronic equipment. media. When compared, it can be said that cryptocurrency itself meets the requirements as an electronic business system using computers and computer networks. Apart from that, the Commodity Futures Trading Supervisory Agency, an institution under the Ministry of Trade of the Republic of Indonesia, also issued this order number on February 8 2019. 5 of 2019 concerning the technical implementation of the physical market for crypto assets also explains that the currency is a crypto asset. In other terms, cryptocurrencies and other currencies can be used and traded on the Indonesian futures exchange.

Several reasons make people invest or use cryptocurrencies or the virtual currency Bitcoin with considerations including:[9] a) general in nature because cryptocurrencies are digital which only require an internet network; b) has a peer to peer system, users can fully control financial transactions independently; c) Fast, easy and limitless because carrying out transactions in cryptocurrencies is different from conventional transactions involving third parties, so it will be faster and easier if there is no third party; d) safe and cheap, because cryptocurrency is a digital program that requires internet access via a network.

#### 4.1.1 Bitcoin virtual currency transaction specifications as a barrier to Money Laundering Crimes

According to the author, several features of cryptocurrency transactions are weaknesses that can be exploited by certain parties to launder money. These weaknesses consist of three elements, namely:

1) Anonymous Transaction Characteristics.

Anonymity which comes from the word anonymous means something *without a name*. The *Blockchain* technology that underlies the running of Cryptocurrency is also inseparable from *anonymity*. *This currency's blockchain* technology allows users to use pseudonyms, because transactions only use certain codes or *algorithms* and are different in each transaction. From the perspective of positive law in Indonesia, this is certainly not in line with the content of criminal law in Indonesia. In the provisions of article 4 of Law number 8 of 2010 concerning Prevention and Eradication of the Crime of Money Laundering, it means that the characteristics of *Cryptocurrency* are very popular with perpetrators of money laundering crimes because their identity is disguised so that it is easier for perpetrators of criminal acts to carry out money laundering because it is difficult detected.

2) Unregulated and Decentralized Transaction Features.

Decentralization is a concept in the system used in facilitating *cryptocurrency*, a concept of parts of the Blockchain that are interconnected and then compiled and disseminated collectively. Blockchain technology represents a framework that gives individuals the autonomy to engage in transactions throughout the process. In essence, transactions involving *cryptocurrencies* have an autonomous quality, as there is currently no specific regulatory body to oversee and regulate their utilization. Transactions carried out using this form of currency in Indonesia also do not have a definite legal status, thus hampering the proper handling of criminal acts such as money laundering or other illegal activities related to transactions. The basic principle of legality is set out in the Criminal Code article 1 (1), which states that an action can only be considered unlawful and subject to punishment if there are pre-existing rules prohibiting the behavior. The existing legal framework is apparently not comprehensive enough to address cases of currency misuse.

3) Transaction Method Known as Mixing

These characters are often found in any business that uses the Bitcoin virtual currency exchange system, and are known as Bitcoin mixers. As the name suggests, Bitcoin mixer is a service whose function is to "mix" other virtual currencies randomly. This randomization is useful to help users of this service determine some transaction codes that are difficult for law enforcement to understand. Having a Bitcoin mixer working concept includes: a) criminals can buy virtual currency with the proceeds of their crimes through Bitcoin exchange services; b) the author sends Bitcoins to a Bitcoin mixing service; and c) Bitcoin or *cryptocurrency mixers* are kept anonymous so any transactions will be difficult to discover. Eventually the Bitcoin mixer will return a new set of Bitcoins that have been combined with a random set of Bitcoins or other virtual currencies from platforms or services that provide private coin deposits or other earned Bitcoins so that there is no trace of past business. As a result, the financial crime legal system uses a more difficult financial supervision system. This anonymity is further enhanced through the utilization of a system known as a "*mixer*" that obscures the trail of transactions by directing payments through a convoluted series of semi-random processes. Additionally, the decentralized nature of cryptocurrencies, with no centralized

authority for oversight and regulation, makes them vulnerable to exploitation for the commission of money laundering offenses.

#### **4.1.2 The virtual currency Bitcoin is a means of criminal money laundering**

The amount of virtual currency used in Indonesia is very large and has had a positive response from the public, encouraging them to learn more about virtual currency. The virtual currency Bitcoin is used by Indonesian people for investment.[10] Because the virtual currency Bitcoin, also known as cryptocurrency, does not yet have special regulations, users are expected to be careful when using it as a means of payment. Millennials and the younger generation currently very fond of cryptography, so that the international world understands it. Bitcoin, a virtual currency on a peer-to-peer network, is a cryptocurrency more serious such as drug-related offenses. Nevertheless, there is now a clear link between structured crimes between conventional services and business transaction errors that occur in the online world. The occurrence of money laundering offenses involving cryptocurrencies has been documented in several countries, providing evidence that cryptocurrencies are can facilitate money laundering activities. It is known that the public is starting to be interested in Bitcoin which is increasingly being used as a tool to hide various illicit activities, including money laundering schemes including criminal behavior recorded by the British Financial Authority due to the urgent need for companies to comply with applicable anti-money laundering protocols.

Apart from the UK, Chinese police reported that more than 1,000 people were arrested for allegedly using cryptocurrency to carry out online money laundering and mobile phone fraud. Massimo Nardo argues that the fight against economic and financial crime worldwide has become crucial in the years leading up to the transition from the 20th to the 21st century, emphasizing previous research on the global criminal economy.[11]

Technological advances in the digital era focus on organizational and procedural aspects and not on the social role of crime. Digital economic crimes are involved in the acquisition, entry, and exploitation of valuable information from virtual currency users. The criminal activity observed in cryptocurrencies relates to the act of virtual money laundering, which has emerged as a consequence of technological advances. Apart from that, legislation in Indonesia must develop in response to the emergence of criminal virtual money activities. The act of money laundering is increasingly becoming clear due to the increasing number of virtual money launderers who operate outside legal constraints. Law enforcement regarding the crime of money laundering aims to recover assets that have been harmed. The use of Bitcoin virtual money is usually associated with a numeric code and disguised by various individual names. Apart from that, the absence of Anti-Money Laundering regulations and Know Your Customer protocols makes it vulnerable to using Bitcoin to engage in money laundering criminal practices. This convenience allows Bitcoin to be used as a medium of exchange to become a legal means of payment from certain countries.

#### **4.2 Juridical analysis based on Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering can be used as a basis for prosecuting Bitcoin virtual money laundering**

Commodity Futures Trading Supervisory Agency No. 5 of 2019 has had a positive impact on crypto asset transactions in Indonesia, by reaching 6.5 million users in 2020, with a transaction value of up to IDR 370 trillion from a total of 4 million users. Crypto Asset traders

and regulators continue to provide education about what Bitcoin virtual money is, how to use it, as well as the risks associated with transacting in Crypto Asset trading. Public trust motivates many people to show interest in investing in Bitcoin virtual money. Functions as a tradable asset, operating on a blockchain system, which is considered a barrier in monitoring various transactions. However, in Indonesia, companies that sell commodity assets use a centralized exchange system. This system ensures that transactions recorded in the blockchain cannot be changed and remain subject to direct review by companies or regulators in terms of tracking and monitoring.[12] To offer assurance law to the public, nine crypto asset trading companies have been officially registered based on the Commodity Futures Trading Supervisory Agency No. 331/BAPPEBTI.4/PENG/04/2020. These companies are as follows: 1) pt. Indonesian crypto blessing; 2) PT. Indonesian upbit exchange; 3) PT. three main cores; 4) PT. Indonesian national Indodax; 5) PT. door to anywhere; 6) PT. Indonesian zipmex exchange; 7) PT. first crypto exchange; 8) PT. luno indonesia ltd; 9) PT. My account is dotcom Indonesia

It is proven that only nine financial service providers are registered, reliable and operate under legal regulations in Indonesia. This service provider has collaborated with every bank in Indonesia. Consequently, in cases of potential money laundering through the Bitcoin cryptocurrency, these companies are prepared to serve as witnesses or assist government authorities as whistleblowers in gathering evidence of illegal transactions.

In order to prevent potential money launderers from abusing accounts provided by service providers, certain requirements must be met before engaging in Bitcoin transactions. The correspondent strongly recommends every exchange company to establish standard procedures for opening accounts by implementing KYC (Know Your Customer) practices. KYC principles involve assessing prospective and current members to ascertain their background and intentions when engaging in Bitcoin exchange. Users are required to upload original identity card data and personal photos for verification purposes. This information is very important for collaboration with any bank in Indonesia to facilitate currency conversion to Rupiah. The aim is to detect suspicious activities carried out by criminals and suppress money laundering via Bitcoin. Similar steps are regulated in Law No.8 of 2010 concerning Prevention and Eradication of Money Laundering, particularly in Article 18 concerning the Principles of Recognizing Service Users, which includes identifying service users through identity verification and monitoring their transactions.

Commodity Futures Trading Supervisory Agency No. 5 of 2019 concerning Technical Provisions for the Implementation of the Physical Market for Crypto Assets on the Futures Exchange aims to protect consumers in Indonesia and prevent misuse of funds deposited with financial service providers. Through the special requirements in Article 8 paragraph (1) letter e in conjunction with Article 22, financial service providers are obliged to maintain procedural standards that regulate various aspects such as the marketing and receipt of crypto assets, transaction implementation, internal control, anti-money laundering programs, and anti-financing measures. -terrorism. Every financial services company is expected to coordinate with financial institutions and government supervisors to ensure compliance.

#### **4.2.1 Efforts to minimize the circulation of Bitcoin Crypto Currency**

So that it can always be monitored by financial service providers and other government authorities by preventing Bitcoin from being used as a payment system for transactions in accordance with Bank Indonesia regulation No. 18/40/PBI/2016 concerning Financial

Transaction Processing Regulations and Bank Indonesia Regulation no. 19/12/PBI/2017 concerning Financial Technology Organizations, explains that payment system service providers also prohibit transactions using virtual currency, fintech companies, including online stores and payment system providers, are prohibited from using and processing various types of cryptocurrency. Apart from that, they are also prohibited from collaborating with parties who carry out transactions using cryptocurrency.

There are several main reasons that prohibit the use of Bitcoin as a means of payment and prohibit financial institutions from facilitating Bitcoin transactions:

- 1) Article 1 paragraph (1) of Law Number 7 of 2011 concerning Currency states that currency is money issued by the Unitary State of the Republic of Indonesia. In addition, Article 21 paragraph (1) of the Currency Law states that every transaction aimed at paying, fulfilling other obligations, or carrying out other financial transactions in the territory of the Unitary State of the Republic of Indonesia must be carried out with money. If you do not use Rupiah, you may be subject to imprisonment and fines;
- 2) In payment transactions, Bank Indonesia has two regulations that prohibit the use of virtual currency, namely payment systems and rules for owning, using, linking, and/or processing payment transactions using virtual bitcoin based on Article 8 paragraph (2) PBI No. 19/12/PBI/2017 Concerning the Implementation of Financial Technology;
- 3) The exchange rate is very volatile, making it susceptible to bubble risk;
- 4) There is no responsible authority or official administrator;
- 5) There is no underlying asset underlying the virtual currency price;
- 6) There is not enough consumer protection.

Based on the explanation above regarding the legitimacy of the Bitcoin cryptocurrency in Indonesia, it can be analyzed that Bitcoin is only a commodity asset that can be traded on the Futures Exchange by Crypto Asset Traders permitted by CoFTRA. Furthermore, it has been explained that the use of bitcoin virtual money as a means of payment for transactions in the payment system is prohibited because it does not comply with applicable legal regulations.

Background: The use of Bitcoin virtual money as a money laundering tool based on criminological theory requires a new approach to explain cybercrime in the current technological era. Jaishankar issued the Space Transition Theory, or Space Transition Theory, for analysis related to the emergence of Bitcoin as a medium for money laundering crimes. This theory considers cyberspace as a new location for criminal activities and explains why crimes occur there. This theory specifically explains culture as individuals who show appropriate and inappropriate behavior both in the real world and in cyberspace, and how their behavior can differ when they move from one place to another through several characteristics, including: 1) people who carrying out illegal activities in public spaces will be monitored online, but his actions in the real world will not be tracked; 2) criminals have the ability and convenience to commit crimes on the internet because they can use different identities and remain anonymous, and there is no surveillance on the internet; 3) criminal activities in public spaces can enter cyberspace and vice versa as well, as shown by the fact that Bitcoins obtained through criminal activities such as corruption, narcotics, etc. can be converted into Bitcoins on the internet to disguise the source of the money. Money generated from crime will be used for purposes that look like they come from a legitimate source of money.

Based on the explanation above, Bitcoin virtual money is the right medium for carrying out new types of money laundering, especially because Bitcoin has no regulatory authority and allows its ownership to be anonymous or unknown. Furthermore, individual users and



account holders can freely carry out illegal transactions digitally using Bitcoin and can return their assets in other forms without being tracked by law enforcement authorities.[13]

According to the understanding and analysis of criminological theory, money laundering and white collar crime are social phenomena in society that damage the country. This is not caused by economic difficulties to meet needs or a low level of education which causes criminals to tend to commit crimes, but by unstoppable desires within the perpetrators and the external environment which causes them to commit criminal acts. Money launderers always do everything they can to disguise money obtained illegally. Therefore, the latest modus operandi in the Bitcoin virtual currency, which is currently popular in Indonesia, requires an in-depth understanding of the background behind placing transactions in the market that accommodates transactions. The concept of white collar crime developed by Sutherland refutes the idea that crime is only committed by the poor and lower class but is carried out by people who are educated and have an important role in an organization, either as the main perpetrator or supporting actor behind the crime which is of a global nature. real and visible science.

According to Sutherland, the signs of a criminal offense can be learned from other people through social interaction and communication. A person's criminal behavior can be learned when interacting with other people through the communication process to learn criminal behavior. Techniques for committing crimes, specific motives and drives, as well as justificatory reasons for committing crimes, and learned negative behavior are not inherited. Clinard and Quinney developed the concept of Occupational Crime from the idea of White Collar Crime, where a crime mostly involves access by managers, employees, or other workers seeking personal gain. Occupational crime has many similarities to organized crime due to the combined efforts of many people rather than a single individual.[14] It is important to remember that these crimes do not only occur in private sector employees, but also in government officials who abuse their authority , one of which is money laundering.

#### **4.2.2 Prudential Banking Strategies to Prevent Bitcoin Money Laundering**

There seems to be no problem with using criminal law as a tool to combat crime in Indonesia. The fact that recent legislation shows the application of criminal law as part of the legal politics implemented in Indonesia. As if its existence is no longer in question, the application of criminal law is considered a normal matter. So far, the use of criminal law, especially in dealing with money laundering crimes, has helped prevent criminal acts.

A person or organization launders money obtained from criminal acts. The aim of money laundering is to hide or disguise the origin of the money from law enforcement by entering it into the financial system, known as the financial system, so that the money will be considered halal.[15] Money laundering can also be defined as hiding the source of the money and assets and then manipulated so that it looks like the money and assets come from legitimate actions.[16] As is known, before committing the crime of money laundering, a person usually has already committed another crime, also known as a predicate crime, according to article 2 paragraph (1) of Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering, for example in the marine and fisheries sector or other criminal acts; origin in terms of corruption in the management of PT Asabri (Persero) investment and financial funds and the criminal act of money laundering using bitcoin as a result. Since money laundering laws are considered a last resort to catch criminals if they are unable to do so, it is critical to ensure successful prevention of money laundering crimes

involving bitcoin. Criminal law enforcement efforts can be used to carry out crime prevention efforts which can be carried out with an approach outside of criminal law which focuses on preventive measures before a crime occurs, where the main focus is the factors that encourage crime to occur or function as anticipatory measures before a crime occurs.[17]

The criminal mode of bitcoin virtual money laundering emerged as a result of technological advances. The government provides steps to support the anti-money laundering program required by the Commodity Futures Trading Supervisory Agency as one of the registration requirements for crypto asset traders on the futures exchange. Crypto asset trading institutions can use prudent banking principles such as knowing the customer, customer due diligence, and enhanced due diligence.

Crypto asset or bitcoin traders can apply these principles by creating company regulations in a company that operates in trading crypto assets or bitcoin. This regulation stipulates that crypto trading institutions must first screen every customer who wants to trade crypto assets or bitcoin, by filling in the source of funds and the purpose of using crypto asset trading services. It can be used by crypto asset trading institutions to track or monitor the source of crime if the prospective service user has committed a previous crime.

## **5 Conclusion**

The shift in payment methods from conventional to online is related to modern society. The virtual currency bitcoin represents digital money generated through a cryptographic system designed to ensure security by preventing counterfeiting. Cryptography serves as a method to facilitate the secure exchange of information through certain systems. This electronic commerce utilizes computer equipment and the internet. Apart from that, the Commodity Futures Trading Supervisory Agency, an institution under the Ministry of Trade of the Republic of Indonesia, also issued an order regarding the technical implementation of the physical market for crypto assets and explained that the currency is a crypto asset. In other terms, cryptocurrencies and other currencies can be used and traded on the Indonesian futures exchange.

Public trust motivates many people to show interest in investing in Bitcoin virtual money. Functions as a tradable asset, operating on a blockchain system, which is considered a barrier in monitoring various transactions. However, in Indonesia, companies that sell commodity assets use a centralized exchange system. This system ensures that transactions recorded in the blockchain are immutable and remain subject to direct review by companies or regulators in terms of tracking and monitoring. Specifically culture as individuals who show appropriate and inappropriate behavior both in the real world and in cyberspace, and how their behavior can differ when they move from one place to another through several characteristics including: 1) people who carry out illegal activities in public spaces will be monitored online, but their actions in the real world will not be tracked; 2) criminals have the ability and convenience to commit crimes on the internet because they can use different identities and remain anonymous, and there is no supervision on the internet. Bitcoin virtual money trading is usually obtained through criminal activities such as corruption, narcotics, etc. It can be converted into Bitcoin on the internet to disguise the source of the money. Money generated

from crime will be used for purposes that look like they come from a legitimate source of money.

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