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Research Article

The Tendencies of Cryptocurrency Policies in Indonesia: Taxation and Investment Law Review

Shinta Hadiyantina *
University of Brawijaya, Indonesia

Dewi Cahyandari
University of Brawijaya, Indonesia

Bahrul Ulum Annafi
University of Brawijaya, Indonesia

Nandharu Ramadhan
University of Brawijaya, Indonesia

ABSTRACT: Cryptocurrency has set intriguing and innovative trends in investment amidst the fluctuating global economy following government policies. This research aims to investigate the trends of policies of cryptocurrency in Indonesia, seen from the perspective of taxation and investment laws. Low tax charged in Indonesia is seen as relaxation by investors and cryptocurrency users, while the trends in legal policies concerning investment are experiencing hyper regulations in legislative products set to assure investors, in comparison to those of other countries. These trends attract some attention from investors and cryptocurrency users from abroad. This research is a unique offering that will illustrate which countries are suitable and friendly for businesspeople to carry out crypto business activities. The methodology used in this study is normative research with a conceptual approach and comparative law. The research results are expected to shed light on foreign investors wishing to invest their money in cryptocurrency businesses by considering the low tax from the perspective of current taxation law in Indonesia compared to those in Canada, the United States, and Singapore. According to the details of taxation in Canada, the United States, and Singapore, it is obvious that Indonesia gives ease to foreign cryptocurrency investors in Indonesia from the aspect of taxation law. The countries compared seem to charge very high taxes for cryptocurrency users and businesses in investment cryptocurrency. This comparison gives easier access to foreign investors to invest their assets for the development of cryptocurrency businesses and companies in Indonesia by considering the amounts of taxes imposed on cryptocurrency businesses and users. Indonesia makes it easier for foreign cryptocurrency investors in Indonesia compared to Canada, the United States, and Singapore from a tax law perspective. In terms of investment regulations, Indonesia has broader laws and regulations compared to other countries, where the investment process involving cryptocurrency businesses in Indonesia receives sufficient attention from these laws and regulations.

KEYWORDS: Cryptocurrency, Investment Law, Taxation Law

*Corresponding author, email: shinta_fh@ub.ac.id

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I. INTRODUCTION

Inexorable digital technology development is growing vastly along with ever-increasing innovations affecting all aspects of life, including innovations in the economy. At the end of the 20th century, the emergence and rapid growth of the internet brought significant opportunities and resulted in a rapid change and evolution of business practices.[1] Technological changes and their consequences have already affected all areas of life.[2] Cryptocurrency has been frequently discussed and linked to innovations in the economy among digital economic actors, ranging from governments and business actors to consumers. Cryptocurrency is a virtual currency that is generated and traded through a cryptographic process, serving as an alternative to traditional currencies.[3] The market for cryptocurrencies and other crypto assets has grown from near non-existence in 2009 to more than a trillion US dollars of market capitalization in the first quarter of 2023.[4] The use of blockchain in business requires an analysis of several aspects – starting from the desired functionalities to the selection of appropriate technical solutions.[5] Its peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without going through a financial institution.[6] With this economic digital system development, a country could encourage economic development even further. This is motivated by the economic growth and technological developments that make it easier for everyone.[7] Cryptocurrencies, due to the economic importance that they assumed with the increase in economic value, undoubtedly deserve a clear

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1 Krzysztof Lipka, "E-commerce Taxation as an Example of Legal Deadlock" (2022) 14:2 Kryt Prawa 60–79 at 60.
2 Janina Fornalik & Jakub Zietek, "Technological Revolution in Taxes" (2019) 11:2 Kryt Prawa Niezalezne Stud Prawem 53–64 at 53.
3 Rico Nur Ilham, Irada Sinta & Mangasi Sinurat, "The Effect of Technical Analysis on Cryptocurrency Investment Returns With the 5 (Five) Highest Market Capitalizations in Indonesia" (2022) 11:2 J Ekon 1022–1035 at 1022.
4 Lin William Cong et al, "Tax-loss Harvesting with Cryptocurrencies" (2023) 76:2 J Account Econ 1–31 at 2.
5 Piotr Gałka & Szymon Ciach, "Blockchain and the Law: a Roadmap of the Most Important Issues" (2019) 11:2 Kryt Prawa Niezależ Stud Nad Prawem 77–86 at 78.
6 Satoshi Nakamoto, "Bitcoin: A Peer-to-Peer Electronic Cash System" at 1.
7 Shinta Hadiyantina et al, "Transborder Data Flows: Protection of Medical Tourist Personal Data in Malaysia and Indonesia" (2022) 18 J Int Stud 269–291 at 270.

regulation of the consequences of activities related to them, especially regulation regarding taxation.[8]

In 2016, Indonesia started to introduce this cryptocurrency, where this country joined digital asset commonly called virtual currency (the Regulation of Bank Indonesia Number 18/40/Pbi/2016 concerning Payment Transaction Processing), meaning "digital currency issued by a party other than monetary authority gained from mining, purchases, or rewards. Bitcoin, BlackCoin, Dash, Dogecoin, Litecoin, Namecoin, Nxt Peercoin, Primecoin, Ripple, and Ven are some examples of cryptocurrencies. Cryptocurrency in Indonesia slowly gained popularity and recognition from the law. The crypto asset market in Indonesia is increasing. Based on data from the Commodity Futures Trading Supervisory Agency or Badan Pengawas Perdagangan Berjangka Komoditi (Bappebti), at the end of 2021, there were 11.2 million crypto asset customers or users. This figure increased by 48.7 percent compared to the end of November 2022, recorded at 16.55 million people.[9] This significantly affected the economy. The Ministry of Trade once reported that in 2021, the total of asset transactions reached IDR 859.4 trillion (USD 54,139,879,620.00), increasing by 1224% compared to that of 2020, representing only IDR 64.9 trillion (USD 3,968,690,760.11). The number of registered buyers was 14.6 million. In 2022 in July, the cryptocurrency transactions represented IDR 232.4 trillion (USD 14,211,459,671.01).[10]

This number indicates the potential of the Indonesian economy that can contribute to state revenue. Sri Mulyani, at a virtual press conference, stated that crypto asset tax revenue from May 1, 2022, to December 14, 2022, reached IDR 231.75 billion (USD 14,171,711.61).[11] This significantly helps the Indonesian government to achieve the tax revenue target in the State Budget (APBN). Tax revenue is an important element in the ongoing life of a country as it serves as

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[8] Gałka & Ciach, *supra* note 5.

[9] KOMINFO, "Bulan Literasi Aset Kripto 2023, Masyarakat Harus Makin Paham", (2023), online: *kominfo.go.id* <https://www.kominfo.go.id/content/detail/47201/bulan-literasi-aset-kripto-2023-masyarakat-harus-makin-paham/0/berita>.

[10] *Ibid.*

[11] Tim CNN Indonesia, "Sri Mulyani 'Kantongi' Rp231 M dari Pajak Kripto per 14 Desember 2022", (2022), online: *cnnindonesia.com* <https://www.cnnindonesia.com/ekonomi/20221221063258-532-890008/sri-mulyani-kantongi-rp231-m-dari-pajak-kripto-per-14-desember-2022>.

the main source of income for a country to achieve prosperity.[12] When people invest in cryptocurrencies and earn profits, it correlates with increasing economic power.[13] Taxes on crypto in Indonesia are lower compared to other countries such as Canada, the first country to implement taxes on crypto; the United States,which has detailed regulations related to crypto taxes; and Singapore, the first ASEAN country to implement regulations on crypto. Nonetheless, the chairman of the Indonesian Crypto Asset Traders Association (ASPAKRINDO) proposed that crypto rights rates be cut and remove the value-added tax charged to investors.[14] However, the proposal is not comparable to the case of the discovery of criminal acts revealed by an agency that indicates that crypto can be a profitable facility for corruptors. di In 2024, the President of the Republic of Indonesia, Jokowidodo, said "The crypto crime report data found that there are indications of money laundering through crypto assets, this amounted to 8.6 billion US dollars in 2022. This is equivalent to IDR 139 trillion globally."[15] In addition, based on the findings of the Attorney General's Office in the corruption case, PT Asabri suspected that the suspect hid the proceeds of his crime through cryptocurrency transactions.[16] The alleged case indicates that a crypto transaction is a high-risk but profitable opportunity for investors to release funds without tax collection.

Those amounts indicate a potential for the Indonesian economy that may contribute to the state revenue. However, tax collection must provide legal guarantees and fairness for both the state as tax collectors and the people as

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[12] Visia Assyafira Suwarto, Sudarsono & Shinta Hadiyantina, "Determination of the Value of Acquisition of Tax Objects by the Agency of Revenue, Financial Management, and Regional Assets in Gresik Regency through E-BPHTB in Buying Transactions" (2021) 4:4 Bp Int Res Crit Inst-J BIRCI-J 11332–11340 at 11332.

[13] Dhimas Candra Andrianto, "Perlindungan Hukum dan Pengenaan Pajak Bagi Investor Cryptocurrency di Indonesia" (2022) 22:1 J Ilm Univ Batanghari Jambi 140–146 at 146.

[14] Dionisio Damara, "Tarif Pajak Kripto Diusulkan Turun, Begini Respons Dirjen Pajak", (2023), online: *Bisnis.com* <https://ekonomi.bisnis.com/read/20230111/259/1617258/tarif-pajak-kripto-diusulkan-turun-begini-respons-dirjen-pajak>.

[15] Fika Nurul Ulya, "Jokowi Ungkap Indikasi Pencucian Uang Lewat Aset Kripto Rp 139 Triliun", (2024), online: *nasional.kompas.com* <https://nasional.kompas.com/read/2024/04/18/09064411/jokowi-ungkap-indikasi-pencucian-uang-lewat-aset-kripto-rp-139-triliun>.

[16] Gading Persada, "Berkaca dari Kasus Korupsi PT Asabri, PPATK Sebut Uang Kripto jadi Modus Baru Pencucian Uang", (2021), online: *kompas.tv* <https://www.kompas.tv/nasional/167106/berkaca-dari-kasus-korupsi-pt-asabri-ppatk-sebut-uang-kripto-jadi-modus-baru-pencucian-uang>.

taxpayers.[17] These changes necessitated the creation of new (or the adaptation of current) methods and mechanisms of taxation.[18] Further consideration can be made regarding how a state, through its policies, gives a chance to keep the economy running through digital assets by comparing it to other countries that are more open to cryptocurrency investors and users. Tax collection must meet equality and equity, which means that tax laws and regulations must provide equal treatment and the same conditions to taxpayers so that they are not discriminatory, This is in addition to equality and equity based on certainty, namely legal certainty related to laws and regulations in collecting taxes.[19] This can be accomplished by comparing pioneer countries that apply tax systems to crypto transactions, starting from the pioneer country that first implemented tax withdrawal, Canada, followed by the US as the center of the world economy, and Singapore, the first ASEAN country to implement tax withdrawal on crypto transactions. This research is unique from other studies, other studies mostly only focus on regulating crypto tax regulations in a country to just see how crypto tax is withdrawn from the regulatory side in one country only as well as Caliskan's written research,[20] 2022 entitled "The Elephant in the Dark: A New Framework for Cryptocurrency Taxation and Exchange Platform Regulation in the US" to see improvements in tax withdrawal regulations on crypto in the US, then a comparative study of Crypto-based Non-Fungible Token (NFT) tax withdrawals with the UK and US conducted by Cheong, B. C. in 2022 entitled"[21] Application of Blockchain-enabled Technology: Regulating Non-fungible Tokens (NFTs) in Singapore" to look at risky and complex legal issues, in addition to another study that also compares Indonesia with Canada written by Kusuma, A. C. D. C., et. al "Legal Framework for Regulation of Income Tax on Cryptocurrency Transactions Based on the Principle of Justice: Comparative Legal Study with

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17 Shinta Hadiyantina, "Konseptualisasi Pengampunan Pajak Dalam Konteks Reformasi Hukum Pajak Di Indonesia" (2018) 11:1 Arena Huk 85–100 at 86.

18 Lipka, *supra* note 1.

19 Amelia Ayu Paramitha & Fajar Kusuma Ramadhani, "Tinjauan Yuridis Pengenaan Pajak Penghasilan dalam Non Fungible Token (NFT) di Indonesia" (2023) 13:1 J Supremasi 15–27 at 18.

20 Koray Caliskan, "The Elephant in the Dark: A New Framework for Cryptocurrency Taxation and Exchange Platform Regulation in the US" (2022) 15:3 J Risk Financ Manag 1–18 at 14.

21 Ben Chester Cheong, "Application of Blockchain-enabled Technology: Regulating Non-fungible Tokens (NFTs) in Singapore", (2022), online: *Singap Law Gaz* <https://lawgazette.com.sg/feature/application-of-blockchain-enabled-technology-nfts/>.

Canada" to see the progressive imposition of taxes on crypto transactions in Indonesia. [22]

This study is limited to assessing the amount of tax imposition and the ease of investment between Indonesia, Canada, the US, and Singapore, which can later be a comparison for business actors to invest in Indonesia. However, this study has a unique offering that will illustrate which countries are suitable and friendly for businesspeople to carry out crypto business activities. This research aims to examine how the trends of cryptocurrency policies in Indonesia occur according to the perspective of taxation and investment laws. This research presents benefits as a second option for the state to increase revenue from business and investment in crypto transactions. It also provides insights for crypto business actors, increasing the ease of investing and the imposition of taxes on crypto businesses.

II. METHODOLOGY

This research is legal. This research prioritizes a comparative legal approach, a conceptual approach, and a philosophical approach. The legal matters collected are analyzed through a structured process following analytical thinking procedures. This involves stages of qualitative analysis carried out both inductively and deductively. The analysis is continued using prescriptive analysis, where all legal materials are analyzed to obtain guidance.

III. CRYPTOCURRENCY REGULATIONS IN CANADA, THE UNITED STATES, SINGAPORE, AND INDONESIA GIVING IMPLICATIONS ON STATE REVENUE AND INCREASING STATE INVESTMENT

Commodity Futures Trading Supervisory Agency (hereinafter Bappebti) issued the Regulation of Bappebti Number 6 of 2019 concerning the Implementation of Anti-Money Laundering and Prevention of Terrorism Funding Regarding Commodity Physical Market in the Futures Exchange (Regulation of Bappebti

[22] Ariska Cesar Divian Candra Kusuma, Tunggul Anshari Setia Negara & Riana Susmayanti, "Legal Framework for Regulation of Income Tax on Cryptocurrency Transactions Based on the Principle of Justice: Comparative Legal Study with Canada" (2022) 3:3 Int J Environ Sustain Soc Sci 556–563 at 562.

6/2019). This regulation is intended to make futures trading organized, appropriate, efficient, effective, and transparent and to create healthier futures for trading industries protected from any likelihood of money laundering that might lead further to terrorism funding and proliferation of mass destruction weapons. Also, there is a market with digital currency, talking virtually and connecting with people without any distance.[23] At this time, investment is not necessarily in physical form, such as gold, bonds, stocks, and others. In this age of sophisticated technology, there is a type of investment in virtual form called virtual currency, commonly known as cryptocurrency.[24] The tax imposed on crypto is recognized and legal as it is governed by the regulation concerned. The massive use of cryptocurrency in investment-related activities is supported by the following factors:

Table 1. Supporting Factors of the Use of Cryptocurrency

Aspect	Implication
Easy access and Easy transactions	Cryptocurrency is directly managed by its users, meaning it can provide direct access to consumers without any intermediary role of the third party. This condition highlights the difference between cryptocurrency and conventional currency.
Data transparency	All the activities are recorded in the blockchain. The public can directly access the transaction history, and this accessibility increases the trust of cryptocurrency users. Another excellent feature of the blockchain system is that the data therein cannot be easily converted, and thus, it is secure.

(Source: Primary data, processed by authors)

In the table above, researchers describe two factors that are very influential in the use of cryptocurrency, namely easy access and transactions where there is no third party between the seller and the buyer. Easy access to the use of cryptocurrency is meant by Jiajing Wu et al., namely, “the creation of addresses or accounts is

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[23] Rizki Amalia & Herman Fikri, “Tax Legal Perspective on Digital Assets Trading Transactions in Metaverse” in (Brawijaya International Conference (BIC), 2023) at 334.

[24] Hari Sutra Disemadi & Delvin, “Kajian Praktik Money Laundering dan Tax Avoidance dalam Transaksi Cryptocurrency di Indonesia” (2021) 8:3 Nusant J Ilmu Pengetah Sos 326–340 at 326.

very easy and almost cost-free, and thus one particular user may own multiple addresses or accounts to enhance anonymity."[25] Additionally, Wai Kok Chan explained in more detail the mechanism of buying and selling transactions in cryptocurrency on the Bitcoin platform, namely, "Each address is used only once to receive a payment. Once this address has spent its funds, the address will not be used again. In this approach, there are no unique addresses to receive payment. Then, on the data transparency factor, the researcher above describes all transactions that will be reported on the blockchain. Although blockchains' inherent degree of transparency often conflicts with corporate confidentiality policies and data protection regulations, this is a challenge that can be solved in two ways, namely with digital identity and digital identity management." This is then further described by Johannes Sedlmeir as follows: "First, they can facilitate users' or smart devices' direct interaction with a smart contract through selective disclosure and make real-world trust frameworks available for the verification on blockchain solutions, which also provides verifiable data for a blockchain to address the Oracle problem. Second, building on standardized, cross-organizational identity management for businesses and institutions allows one to implement fine-grained yet efficient authentication and authorization policies and, therefore, to move the trustworthy exchange of sensitive data to another layer."[26]

The two factors described by researchers are a consideration for investors to invest their wealth in this digital asset. For governments that have territories and regulations to regulate their people, this digital asset investment model is a new advantage to get a percentage of state income because the investment value is not playing games. In addition to conventional taxes, host oil and gas-producing countries impose "crypto taxes," including sustainability-related taxes similar to environmental taxes and social environmental development fees. These taxes aim to maximize government taxes collected to ensure operational efficiency and sustainable development.[27] To see how countries other than Indonesia impose

[25] Jiajing Wu et al, "Analysis of cryptocurrency transactions from a network perspective: An overview" (2021) 190:1 J Netw Comput Appl 1–24 at 9.

[26] Johannes Sedlmeir et al, "The transparency challenge of blockchain in organizations" (2022) 32:3 Electron Mark 1779–1794 at 1790.

[27] Abdulsalam Mas'ud et al, "A 'Crypto Tax Assessment Index (C-TAI)' for Oil and Gas Industry" (2020) 268:1 J Clean Prod 1–31 at 1.

taxes in the cryptocurrency business world, it is necessary to carry out legal comparisons with countries that first have tax regulations on cryptocurrencies, such as Canada, the United States, and Singapore. To see further, researchers must dissect what regulations regulate cryptocurrency transactions, which can be seen through the following table:

Table 2. Regulations concerning Cryptocurrency in Canada, the United States, Singapore, and Indonesia.

No	Details	Canada	U. S	Singapore	Indonesia
1.	Regulations governing the body/regulatory body of the cryptocurrency transaction process	1. Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) 2. Investment Industry Regulatory Organization of Canada (IIROC)	1. Financial Crimes Enforcement Network (FinCEN) 2. The Securities and Exchange Commission (SEC) 3. The Commodity Futures Trading Commission (CFTC)	1. Money Authority of Singapore (MAS)	1. Financial Services Authority 2. Commodity Futures Trading Supervisory Agency

2.	Regulations governing specifically about cryptocurrencies	1. Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) 2. Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (PCMLTFA	1. The Bank Secrecy Act (BSA). 2. The Commodity Exchange Act (CEA) and Securities Exchange Act 3. Executive's Order by President Joe Biden	1. Payment Services Act (2019) 2. MAS Notice PSN02	1. Law No. 4 of 2023 on Financial Sector Development and Strengthening 2. Regulation of the Minister of Trade of the Republic of Indonesia on the General Policy for the Implementation of Crypto Asset Futures Trading
3.	Regulation of tax withdrawal on cryptocurrency business transactions	1. Income Tax Act (ITA) 1985; 2. CRA Guide: Guide for Cryptocurrency Users and Tax Professional.	1. IRS Virtual Currency Guidance: Virtual Currency is Treated as Property for U. S. Federal Tax Purposes: 2. General Rules for Transactions Apply, Notice 2014-36.	1. Goods and Services Tax	1. Law Number 7 of 2022 on Harmonization of Tax Regulation 2. Minister of Finance Regulation Number 68/PMK.03/2022 on Value Added Tax and

			2. 3 Electronic Fund Transfer Act (EFTA) 1978 3. The Internal Revenue Service		Income Tax on Crypto Asset Trading Transactions
4.	Tax Tracking by Authorities	Canada Revenue Agency (CRA) tracking	Internal Revenue Service (IRS) tracking	Report to Inland Revenue Authority of Singapore (IRAS)	Report to Bappebti
5.	The Minimum Transaction	CAD <10.000 CAD >10.000		SDG <1.500 SDG >1.500	

(Source: Primary data, processed by authors)

In the table above, we can compare various regulations governing the imposition of taxes on cryptocurrency transactions in Canada, the United States, Singapore, and Indonesia, ranging from regulations on institutions that will regulate cryptocurrency regulations, regulations on cryptocurrency tax withdrawals, and regulations on tax withdrawal tracking activities. To see more fully, the researcher will first explain the origin and emergence of cryptocurrency regulation. Cryptocurrencies are not legal tender in Canada but can be used to buy goods and services online or in stores that accept them.[28] Additionally, the cryptocurrency exchange is legal, and its service provider must register with the

[28] Kamshad Mohsin, "Cryptocurrency Legality and Regulations -An International Scenario" (2022) 2:1 Int J Cryptocurrency Res 19–29 at 21.

Financial Transaction and Reports Analysis Center of Canada (FinTRAC).[29] Cryptocurrency can be used to buy goods online and offline in stores that accept them. In 2014, Canada passed the Digital Currencies Act under the Proceeds of Crime (Money Laundering) and Terrorist Financial Act (PCMLTFA).[30] As early as 2014, while in 2017, the British Columbia Securities Commission registered the first cryptocurrency-only investment fund. In August 2017, the Canadian Securities Administrators (CSA) issued a notice on the applicability of existing securities laws to cryptocurrencies, and, in January 2018, the head of Canada's Central Bank characterized them "technically" as securities.[31] The Canada Revenue Agency has taxed cryptocurrencies since 2013, and Canadian tax laws apply to cryptocurrency transactions.[32] From June 2020, all cryptocurrency exchanges need to register with the Financial Transactions and Reports Analysis Center of Canada (FinTRAC) and, where applicable, comply with margin and market valuation requirements.[33] In February 2020, the Virtual Currency Travel Rule came into effect in Canada, requiring all financial institutions and MSB to record all cross-border cryptocurrency transactions (along with all electronic fund transfers). This change also effectively means that crypto asset deals and persons who undertake cross-border transactions are subject to the enhanced due diligence requirements set out in PCMLTFA.[34]

In the United States, given their various functions, cryptocurrency exchanges could be subject to oversight by FinCEN (which is responsible for enforcing the Bank Secrecy Act) for being exchanges involved in money transmission (and subject to regulations regarding terrorist financing, money laundering, and financial crime).[35] In 2015, FinCEN fined Ripple for selling its virtual currency (XRP) without proper registration.[36] Cryptocurrency trading platforms could also

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29 Engr James Olorundare et al, "Economic Prospect of Cryptocurrency: Nigeria as a Case Study" (2023) 4:3 Int J Res Publ Rev 4444–4451 at 4447.

30 *Ibid.*

31 Karen Tso & Arjun Kharpal, "Bitcoin is 'gambling' and regulations are needed, Canada central bank head says", (2018), online: *CNBC* <https://www.cnbc.com/2018/01/25/bitcoin-trading-is-gambling-canada-central-bank-governor.html>.

32 Kusuma, Negara & Susmayanti, "Legal Framework for Regulation of Income Tax on Cryptocurrency Transactions Based on the Principle of Justice", *supra* note 22.

33 *Ibid.*

34 *Ibid.*

35 Mohsin, *supra* note 28.

36 Financegov, *United States Of America Department of The Treasury Financial Crimes Enforcement Network* (Off website United States Gov, 2015).

be subject to oversight by the SEC since some coin offerings are securities offerings. To this end, several United States crypto-asset trading platforms established the Crypto Rating Council (CRC) in September 2019, which created a framework to determine whether a given crypto-asset is a security.[37] They may also be subject to oversight by the CFTC since this agency considers cryptocurrencies to be commodities.[38] Cryptocurrency exchanges are legal in the US and are covered by the regulatory scope of the Bank Secrecy Act (BSA).[39] Regarding cryptocurrency, the United States went through tax regulation in the field of cryptocurrency trading, forcing all American cryptocurrency exchanges to verify their clients.[40] The Internal Revenue Service (IRS), or the organization in America with the authority to manage taxes, formally declared virtual money to be property.[41] As a result, any gain or loss on the transaction will be taxed. These regulations are contained in the United States Treasury Department, Notice 2014-21.[42]

Payment service providers in Singapore are under the strict control of MAS.[43] Thus, according to Clause 1, Article 49 of the Payment Services Act, a payment system operator is obliged to provide MAS with reports in the manner and form established by the administration. The content of reporting documentation is determined following Article 22 of Payment Services Regulations 2019, No. S810/2019.[44] In Singapore, cryptocurrency exchanges and trading are legal, and the city-state has taken a friendlier position on the issue than some of its regional neighbors. Although cryptocurrencies are not considered legal tender, Singapore's tax authority treats Bitcoins as "goods" and applies Goods and

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37 Dave Michaels, "Cryptocurrency Exchanges Including Coinbase Disclose Ratings of Digital Assets", *Wall Str J* (2019) at 1.

38 *Ibid.*

39 I Harryarsana, "A Comparison of Regulation of Bitcoin as Crypto (Digital) Currency" (2022) 6:2 Untag Law Rev 1–11 att 4.

40 Oksana Panova et al, "International Models of Legal Regulation and Ethics of Cryptocurrency Use: Country Review" (2019) 22:2 J Leg Ethical Regul Issues 1–6 at 5.

41 *Cryptocurrencies: An empirical view from a tax perspective*, JRC Working Paper, by Andreas Thiemann, www.econstor.eu, JRC Working Paper 12/2021 (JRC Working Papers on Taxation and Structural Reforms, 2021) at 12.

42 Harryarsana, *supra* note 39.

43 Marek Bočánek, "Stored value facility Regulation in Singapore according to the New Payment Services Act" (2020) 8:3 Prawo Budżetowe Państwa Samorz 115–131 at 119.

44 Aleksandr Alekseenko, "Legal regulation of the use of distributed ledger technologies in financial sector of Singapore" (2022) 34:2 Rev Investig Univ Quindío 381–391 at 834.

Services Tax (Singapore's version of Value Added Tax).[45] Countries like Singapore have reflected the status of the cryptocurrency as property when it comes to taxation, however, no tax is levied on such cryptocurrency for long-term holding, making it the subject matter of treatment like the regular subject matter. It is also important to view the regulation of only cryptocurrency in Singapore (i.e. Bitcoin) and on said line, that could follow validation of other cryptocurrencies in the city-state that is a growing hub for the regulated cryptocurrency market.[46] In case of a violation of the terms, form, or content of the report, the payment system operator shall be fined no more than 250 thousand SGD; in case of a continuous violation, an additional fine shall be of no more than 25 thousand SGD for each day. One of the main objectives of the aforementioned reports is to counteract.[47]

In Indonesia, the legality of crypto assets is partial because they are prohibited as a means of payment but are legalized as investment commodities.[48] So far, cryptocurrencies are used as a business area by looking for price differences, purchasing when the price drops, and selling when the price rises.[49] However, the government must consider that cryptocurrency assets have become a widely traded commodity in Indonesia and meet the criteria for the imposition of the Value Added Tax Law (VAT Law), which was last amended by the Tax Harmonization Law (HPP Law).[50] Changing to conventional currency can be accomplished through cryptocurrency trading, mining stages, or airdrops. This must complete the requirements as a tax income charged according to Law No. 36 of 2008 as an amendment to Law No. 7 of 1983 concerning Income Tax.[51] The amount of income can be calculated according to the exchange rate or transaction value at the time of trading.[52] Cryptocurrencies themselves have a smaller VAT increase potential than income taxes.[53] Crypto asset transactions in

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45 Mohsin, *supra* note 28.

46 Shabatuk Julia, "Prospects for the development of cryptocurrency regulationin Singapore" (2019) 7:2 Rev Bus Econ Stud 48–52 at 51.

47 Lin Lin, *Regulating FinTech: The Case of Singapore* (Rochester, NY, 2019) at 13.

48 *Ibid.*

49 Ilham, Sinta & Sinurat, *supra* note 3.

50 Atiqoh Farhah Maulani, "Pemungutan Pajak Penghasilan atas Transaksi Cryptocurrency di Indonesia" (2021) 4:4 Jurist-Diction 1333–1356 at 1333.

51 *Ibid.*

52 Andrianto, *supra* note 13.

53 Rachana Khandelwal, "Taxation of Cryptocurrency Hard Forks" (2019) 8:1 Contemp Tax J at 32.

Indonesia are subject to income tax and value-added tax regulated in the Regulation of the Minister of Finance of the Republic of Indonesia Number 68/PMK.03/2022 concerning Value-Added Tax (VAT) and Income Tax on Crypto Asset Trading Transactions (hereinafter referred to as PMK Number 68/PMK.03/2022). It is collected with a withholding system with final rates for exchanges with the status of Crypto Asset Physical Traders (hereinafter referred to as PFAK) and non-PFAK parties. Further, a self-assessment tax deposit system with final rates is for cryptocurrency mining actors. This regulation does not reflect justice because tax collections on cryptocurrency transactions carried out on centralized exchanges established outside Indonesia or on decentralized exchanges are still not regulated. The absence of regulations regarding tax collection that various exchange parties should carry out creates injustice and a means of tax avoidance because the income from cryptocurrency transactions should not be seen from where it comes. The final rates set in PMK Number 68/PMK.03/2022 do not fulfill the element of justice because tax collection is not based on the taxation of the taxpayer.[54]

The withdrawal of taxes on cryptocurrency transactions has enormous implications for state revenues. This can be seen from the examples of these four countries. In Indonesia, the example chosen by researchers through taxes deposited by the Indodax Platform to Indonesia in 2022 amounting to IDR 58 billion, this tax consists of Value Added Tax (VAT) and Corporate Tax on cryptocurrency transaction activities in 2021. Unlike in Canada, the revenue tax on cryptocurrency can be categorized as personal income, capital gains, or property tax, depending on interpretation. However, considering the sector's growth in 2019 and 2020, with increases of around 3271 and 1799 million Canadian Dollars, it can be ascertained that significant portions of these tax revenues come from tax payments on cryptocurrency transactions. In the United States, cryptocurrency tax withdrawals fall into the category of individual incomes subject to the law. It is interesting to examine more deeply that taxes collected through individual incomes rose by approximately 0.424 T Dollars USD, which contains the imposition of taxes on cryptocurrency profits. In contrast to Singapore, where profits from cryptocurrency transactions are subject to

[54] Kusuma, Negara & Susmayanti, "Legal Framework for Regulation of Income Tax on Cryptocurrency Transactions Based on the Principle of Justice", *supra* note 22.

Personal Income Tax and cryptocurrency business actors are subject to Goods and Services Tax, there was a significant increase in tax revenue in 2020 and 2021, with Personal Income Tax rising by 1.08 billion Singapore dollars and Goods and Services Tax by 1.66 billion Singapore dollars.

IV. TRENDS AND REGULATIONS CONCERNING CRYPTOCURRENCY IN TAXATION AND INVESTMENT LAWS IN INDONESIA, SINGAPORE, CANADA, AND THE UNITED STATES

Since its first appearance as a digital asset with huge numbers of transactions annually, cryptocurrency has opened another alternative for the state in receiving revenue through digital asset media. As a state that relies on taxes collected from the members of the public, the digital asset of cryptocurrency contributes to the way the state gains its revenue. Taxes are an important element in the ongoing life of a country because they are the main source of income for a country to achieve prosperity.[55]

Income Tax is a subjective tax whose obligations are attached to the relevant tax subject.[56] The vigor of opening the chance for investment via cryptocurrency digital assets has urged the state to experience global transformation in economic sectors. Certainly, investors have their perspective in choosing which countries they will invest their assets relevant to the conditions of the companies concerned. To assist companies in making more informed investment decisions, this research provides comparisons of tax law reviews, including the amounts of taxes imposed on cryptocurrency companies and users:

To facilitate the comparison of the four countries, the author compares four countries both in terms of cryptocurrency tax withdrawal as income tax and income tax (business profit).

a. Canada

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[55] Suwarto, Sudarsono & Hadiyantina, *supra* note 12.

[56] Yana Hendayana et al, "How Perception use of e-Filling Technology Enhance Knowledge of Indonesian Disability Taxpayers and Impact Tax Compliance" (2021) 4:2 Bp Int Res Crit Inst BIRCI-J Humanit Soc Sci 1687–1696 at 1688.

In Canada, the income tax withdrawal from cryptocurrencies starts from 15% on the first $50,197 of taxable income, then continues with plus 20.5% on the next $50,195 of taxable income (on the portion of taxable income over $50,197 up to $100,392), then there is a tax increase of plus 26% on the next $55,233 of taxable income (on the portion of taxable income over $100,392 up to $155,625), and the first increase in tax income up to plus 29% on the next $66,083 of taxable income (on the portion of taxable income over $155,625 up to $221,708). This amount of tax is applied to income tax (salary paid using cryptocurrency). However, in the long-term capital gains and business sector where the tax withdrawal is 50%, the intended businesses are businesses that accept crypto as payment and as capital gains investments.

b. United States of America

In the USA, income tax withdrawals (salaries paid using cryptocurrency) start from 10% on the first income $0 to $11,000, then the tax amount increases to plus 12% for income $11,001 to $44,725, increases again plus 22% on income $44,726 to $95,375, gradually increases to plus 24% on income $95,376 to $182,100, increases further at plus 32% on income $182,101 to $231,250, then increases by plus 35% on income from $231,251 to $578,125, and increases to plus 37% on income $578,126 or more. In contrast to the long-term capital gains and business sector, the tax drawdown is 0% long-term capital gains tax rate if your taxable income is $0 to $44,626, increases at 15% long-term capital gains tax rate if your taxable income is $44,626 to $492,300, and increases up to 20% long-term capital gains tax rate if your taxable income is $492,300 or more.

c. Singapore

In Singapore, the tax arrangement is divided into two; namely, income tax (income from cryptocurrency), which is seen as the background of citizen status, and flat tax. For non-permanent residents, the tax on the imposition of cryptocurrency income is a flat rate of **15%.** In contrast, permanent resident income tax has a progressive amount like Canada and the US. The details are as follows:

For the first $20,000 the 0% tax amount increases by $10,000, then the tax amount becomes 2%. The increase in the tax amount continues until the first $30,000 is taxed at $200, then if there is an increase of $10,000, the tax is levied at 3.5%. If the income is $40,000 then the tax payment is 550$, but if there is a first income of $40,000 it is taxed at 7%. Furthermore, if the income is $80,000, then you must pay a tax of $3350, and if there is an increase in income of $40,000 then the tax is 11.5%. If the income from cryptocurrency is $120,000 there is a tax of $13950, then if there is an increase in income of $40,000 the tax is 15%. If the income is $160,000 the taxpayer pays $13950, and if there is an increase in income of $40,000 the tax is 18%. If the income tax is $240,000 then the tax payment is $28750, and if the income increases by $40,000 the taxpayer is charged 19.5%. Cryptocurrency income of $280,000 is taxed at $36550, and if there is an increase in income by $40,000 the tax increases by 20%. If the income is $320,000 then it is required to pay a tax of $44550, and if there is an increase in income of $180,000 it is taxed at 22%. If the income is $1,000,000 then the taxpayer pays $199150, and earnings greater than $1,000,000 are taxed at 24%.

These rates are in contrast to the payment tax for goods and services, which is taxed at 8% (This tax rate only applies to a payment for goods and services using cryptocurrency). It is also different from income for certain professions that are not permanent residents in Singapore as follows:

a) Remuneration including director's fees received by non-resident directors is taxed at 5%.
b) Income received by non-resident professionals (e.g., consultants, trainers, and coaches) for services performed in Singapore is taxed at 15% of gross income or 24% of net income.
c) Income received by non-resident public entertainers for services performed in Singapore is taxed at 15% while concessionary rate SRS withdrawals received by non-Singapore SRS account holders are taxed at 24%.
d) Interest, commission, fee, or other payment in connection with any loan or indebtedness is taxed at 15% reduced final withholding tax rate (subject to conditions) or 24% if a reduced withholding tax rate is not applicable
e) Royalty or other lump sum payments for the use of movable properties are taxed at 10% reduced final withholding tax rate (subject to conditions) or 24% if reduced withholding tax rate is not applicable.

d. Indonesia

In Indonesia, the amount of tax is very small compared to Canada, the US, and Singapore. The reason is that the imposition of this tax is different in the country. The amount of tax imposed can be seen as follows:

For value-added tax for transactions of cryptocurrency traders who have been registered with the Physical Traders of Crypto Assets (PFAK) the tax is 0.11%, but for the transactions of cryptocurrency traders who are not registered with the PFAK tax is 0.22%. For cryptocurrency platforms, a tax of 1.1% is imposed on cryptocurrency buying and selling transactions. However, if cryptocurrency is used as income, then the tax imposed is 0.1%. This rate also applies to traders who make cryptocurrency as an opinion, meaning they are taxed at 0.1%, but taxpayers who make cryptocurrency as trading income are taxed at 0.2%. Other tax withdrawals such as specific VAT on the submission of crypto asset transaction verification services and/or crypto asset miner group management services by crypto asset miners are 10% of the VAT rate multiplied by the value in the form of money for critical assets received by crypto asset miners, including crypto assets received from the crypto asset system (block reward).

The comparison above describes the amount of tax collection for cryptocurrency users based on two indicators. The first and second indicators show significant differences in the classification of the type of use of cryptocurrency transactions The first indicator is the tax collection on crypto users, which makes crypto an opinion for cryptocurrency users. Of the four countries, three countries, Canada, the United States, and Singapore, have the same tax collection model, which uses a limit on the number or amount of revenue transactions obtained on the mining results on the cryptocurrency platform. The three countries set the same tax rate, namely a tiered model with income limits, with the following concept:

Table 3. Concept of Tiered Cryptocurrency Tax Withdrawal as Income in Canada and the US.

Income x Tax Level (according to country regulation) = Tax Collection Rate Description: Cryptocurrency Income Tax Rate in Canada Income \$0 - \$50,197 = 15%

Income \$50,197 up to \$100,392 = 20.5%
Income \$100,392 up to \$155,625 =26%
Income \$155,625 up to \$221,708 = 29%
Income > \$221,708 = 33%

Cryptocurrency Income Tax Rate in the US
Income \$0 to \$11,000 = 10%
Income \$11,001 to \$44,725 = 12%
Income \$44,726 to \$95,375 =22%
Income \$95,376 to \$182,100 = 24%
Income \$182,101 to \$231,250 = 32%
Income \$231,251 to \$578,125 = 35%
Income > \$578,126 = 39%

Income Tax Tier for Residents in Singapore:
First \$20,000 Income = 0%
First \$20,000 + Next \$10,000 = 2%
First \$30,000 + Next \$10,000 = 3.5%
Income First \$40,000 + Next \$40,000 = 7%
Revenue First \$80,000 + Next \$40,000 = 11.5%
Revenue First \$120,000 + Next \$40,000 = 15%
Revenue First \$160,000 + Next \$40,000 = 18%
Revenue First \$200,000 + Next \$40,000 = 19%
Revenue First \$240,000 + Next \$40,000 =19.5%
Revenue First \$280,000 + Next \$40,000 = 20%
Revenue First \$320,000 + Next \$180,000 = 22%
Revenue First \$500,000 + Next \$500,000 = 23%
Revenue First \$1,000,000 In excess of \$1,000,000 = 24%

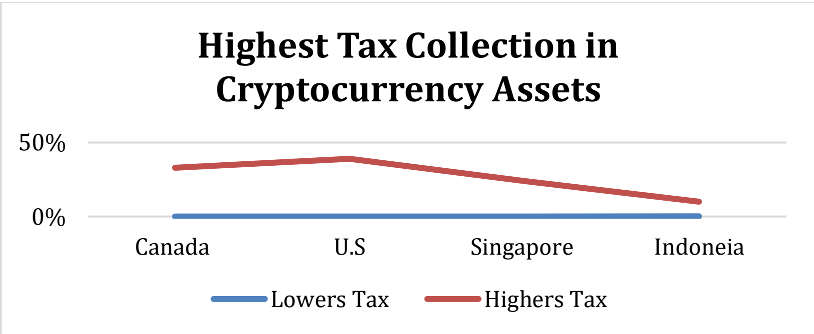
Another difference with tax withdrawal in Singapore is that buying and selling transactions with cryptocurrency are taxed at 8%. Meanwhile, Indonesia has a different and far more ideal concept of withdrawal, namely following the tax set by the state and is directly withdrawn through an application registered with Bappebti, 0.11% for trading crypto assets, both for Physical Asset Traders (PFAK) and 0.22% non-Physical Asset Traders (PFAK) regardless of one's nationality. Then for mining service players by 1.1%, crypto asset trading income actors by 0.1% Physical Asset Traders (PFAK) and 0.2% non-Physical Asset Traders (PFAK), and crypto asset mining income actors by 0.1%. The second indicator is for business actors who make crypto as a long-term investment. In Canada, the tax withdrawal is quite large at 50%, while in the United States, tax withdrawal is carried out using tiered tax collection. In Singapore, the taxation for tax-term investment is not explained through regulations. However, significant differences exist in the amount of tax for the receipt of service payments through crypto by certain business actors, such as crypto business directors, consultants, trainers, coaches, and entertainers, with royalties using a tax range between 15% and 24%. Indonesia does not specifically regulate how to collect taxes for crypto business actors.

Indonesia regulates the amount of tax through the regulation of the Minister of Finance, known as PMK Number 68/PMK.03/2022. The classification of tax imposition is also varied in terms of the positions of the actors in the economic chains of cryptocurrency digital assets, with the taxes reaching 0.1% to 10% of capital gain. Unlike the regulation set in Singapore, miners doing crypto activities as part of their hobby cannot be made liable to tax of the above classifications even though they gain money from those activities.[57] However, if cryptocurrency users hold the cryptocurrency a bit longer, they will be liable to tax. Individuals and business entities are liable to 2% and 24% as the highest capital gain. However, the US and Canada refer to the system of the annual collection of income tax gained from cryptocurrency as the taxable object, resulting in significant tax revenues. In Canada, for example, the tax imposed on businesspeople can reach up to 50%. In contrast, the US imposes tax by assessing the length of the holding period of cryptocurrency, with longer periods resulting in higher capital gains taxes. The percentage of the capital gains tax paid accounts for the marriage condition and the amount of cryptocurrency investment in the cryptocurrency platform. This indicates that the tax collected in Indonesia is deemed very low and complies with the justice principles in tax collection. Principally, tax regulations aim to make taxes more economical, equitable, and

[57] Liu Hern Kuan & Vincent Ooi, *Making Money From Cryptocurrency- The Taxman May Call On You* (Rochester, NY, 2021) at 1-2.

neutral.[58] All tax obligations must be definite and not arbitrary because all taxpayers will cause the system to be managed similarly. The tax amounts of the cryptocurrency object in Indonesia are very low compared to those of Singapore, the United States, and Canada.[59] As can be seen through the chart below, the lower limit of Indonesian crypto withdrawals compared to Singapore, the United States, and Canada is as follows:

Graph 1. Highest Tax Collection in Cryptocurrency Assets in Indonesia, Singapore, the United States, and Canada



(Source: Primary data processed by authors)

The graph above shows small amounts of taxes collected in Indonesia, indicating great opportunities for cryptocurrency businesses to invest their assets in Indonesia. Besides these low amounts, the ease of investing in a country is another essential factor to consider. Small amounts of taxes are collected in Indonesia because regulations hold principal tax fairness. Regulations tax in Indonesia do not assess the condition of the taxpayers. It is different from tax collection in Canada and the United States, where tax amount is determined by the situation of the family, in particular by the number of children and other dependents, the age of the taxpayer, the state of the taxpayer's health, as well as certain other extraordinary circumstances, such as natural disasters which weaken the current ability to pay.[60] In Indonesia, tax justice is based on Pancasila. The form of the principle of justice in tax collection is also evident from the purpose

58 Erwin Harinurdin, "Applying Principles of Equity and Certainty in Taxing E-Commerce: A Case Study of Indonesia" (2020) Proc 3rd Int Conf Vocat High Educ ICVHE 2018 at 67.

59 Pauline Downer, "Taxation Of Electronic Commerce (e-comm): Examination Of Canadian Government Tax Policies And Directives Application Of Adam Smith's Canons Of Taxation" (2016) 29:1 J Financ Manag Anal..

60 Alicja Pomorska, "The tax-free amount as an instrument for implementing the tax fairness principle" (2018) 10:1 Kryt Prawa 193–215 at 194.

of the tax itself, which is aimed at the public interest. The output of the results of tax payments does not distinguish between individuals who pay taxes and those who do not pay taxes.[61] The tax fairness view by Farrar J et al. observes three primary dimensions and three sub-dimensions of fairness emerge, as follows:[62]

"Three Primary Dimensions of Fairness Tax:"

(1) Fairness of the Tax Assessment Process.
The treatment of tax collection from tax officials to tax collection subjects is an indicator of the success of tax collection justice. According to Farrar J et al., "Fairness of the Tax Assessment Process is authority's treatment of individual taxpayers, which is interpersonal fairness." In Indonesia, when a platform is registered and subject to local regulations, the responsibility of tax imposition is through the platform itself. This means the platform has a responsibility to report to tax officials.

(2) Exchange Equity.
According to Farrar J et al., Exchange Equity is captured by two items: (1) The amount taxpayers pay in income tax is equal to the amount they receive in government services, and (2) Taxpayers receive social services equivalent to the income taxes they pay, as each of these items relates to the benefits received for taxes paid. In Indonesia, tax revenue benefits all levels of society, without discrimination based on the taxpayer or the amount collected. This ensures all levels of society can experience equal welfare.

(3) Vertical Equity
This tax justice goes beyond the concept of fairness as a whole, as it can be difficult to achieve. In Indonesia, there are significant differences between the perpetrators and subjects of tax collection. This is further explained by Ms Katherine Baer et al., that the "Application of neutrality principles to the treatment of cryptocurrencies is made difficult, however, by their dual nature: as investment assets and as a medium of exchange."[63] The

[61] Thomas Abbon, "Pancasila Sebagai Dasar Falsafah Pajak di Indonesia" (2019) 5:1 J Huk -Ra 26–30 at 27.

[62] Jonathan Farrar et al, "Tax Fairness: Conceptual Foundations and Empirical Measurement" (2020) 162:4 J Bus Ethics 487–503 at 488.

[63] Katherine Baer et al, "Taxing cryptocurrencies" (2023) 39:3 Oxf Rev Econ Policy 478–497 at 484.

complexity of fairness conveyed by Ms Katherine Baer et al. extends beyond the classification of the subject of tax collection. It involves how the state interprets this crypto, whether as income derived from property and currency or as long-term investment gains. sales and purchases are both subject to taxation because both transactions are mutually beneficial. Indonesia applies the fairness of tax collection uniformly for all tax subjects as a source of profit in the form of capital gains. Unlike Canada, the United States, and Singapore, which use a tiered tax system based on the amount of transactions and profits, Indonesia does not vary the tax amount accordingly. According to Farrar J et al., the fairness of taxation withdrawal in the concept of vertical equity is captured by three items: (1) It is fair that high-income earners are subject to a higher rate of taxes than middle-income earners; (2) It is fair that middle-income earners are taxed at a lower rate than high-income earners; and (3) High-income earners should pay a greater share of income tax than low-income earners. The withdrawal of crypto taxes for investors and miners is equalized, but there is no difference in the amount of tax gratuity Thereby, the tax gratuity remains stable, but the state revenue can still receive an abundant amount in capital gains as income with a large nominal value. If visualized, vertical equity in the application of crypto taxes in Indonesia is as follows:[64]

Table 4. Vertical Equity On Crypto Tax Withdrawal in Indonesia.

Tax Percentage x Transaction Amount = Tax Withdrawal Amount (Based on Taxpayer Classification) regulated in statutory provisions Note: Transaction Size (High) ⇑ then Tax Collection Size (Low) ⇑ Transaction Size (Low) ⇓ then Tax Withdrawal Rate (Low) ⇓

From these three indicators, tax fairness is a more general, broad concept and includes the concept of equity itself.[65] Tax justice and tax equality are part of the

[64] Farrar et al, "Tax Fairness", *supra* note 62.

[65] Neni Susilawati, Gunadi & Ning Rahayu, "A Systematic Literature Review for Distinguishing Tax Terms: Equality, Equity, Justice, and Fairness" (2021) 13:6 J Econ Behav Stud 19–39 at 27.

indicators of tax fairness.[66] While fairness is central to the popular discourse on tax policy, its meaning has expanded to encompass not only traditional equality and consistency of treatment but also simplicity, accessibility, effect neutrality, and competitiveness.[67] Natural law idealizes fairness as a constitutive element of the law so that any unfair regulation is not only seen as a bad law but is even considered not a law. In contrast, legal positivism adherents view justice only as a regulative element, not a constitutive element of the law, because the mandatory nature of the law lies in fact. The manifestation of tax fairness in the formation of tax law in Indonesia is realized in two forms of appropriateness, namely, the appropriateness to act and the appropriateness not to act against taxpayers and tax employees.[68] The point is that fairness should be transferred from the axiological (values or norms towards a science) which sourced from legal reality is ethics-social and legal philosophy,[69] since it is in these areas that the most profound philosophical understanding of the regulators of human activity and the normativity of ethical and legal prescriptions is carried out level to the normative level.[70]

The fairness of tax collection in Indonesian regulations in the previous explanation shows that there is a tax withdrawal relief for investors to invest their capital in digital assets in the form of cryptocurrency on the Indonesian platform rather than in the other three countries. Easy investment, low tax, and fairness tax are obvious ways a country guarantees protection and safety for businesses in the current regulations. After the issuance of the Job Creation Law Number 11 of 2020 in Indonesia, this regulation supports investment activities and provides wider employment opportunities for the welfare of the community. Investment laws and policies are characterized by an understanding of the important role of investment in economic growth and development, as well as the significance of

[66] *Ibid.*

[67] Chantal Stebbings, "The equity of the executive: Fairness in tax law in nineteenth-century England" in (Cambridge University Press, 2016).

[68] B Sinaga et al, "Justice Reconception in Establishing Responsive Tax Law in Indonesia: A Rawlsian Perspective" (2020) 27:3 Ayer Journal at 171.

[69] Anton Didikin & Daria Kozhevnikova, "The Phenomenological Method in the Ethics and Legal Philosophy of the XX Century" (2021) 1:1 Wisdom 50–60 at 50.

[70] Jacek Wantoch-Rekowski & Martyna Wilmanowicz, "Polish tax system overview" (2020) 7:4 Prawo Budżetowe Państwa Samorz at 9.

investment policies as a component of development strategies.[71] Fourteen regulations following the issuance of the Job Creation Law are also responsible for the facilities provided for foreign investors to invest their assets. Regarding these regulations, their comparisons with Singapore, the United States, and Canada are provided in the following table:

Table 5. Comparison of Regulations Concerning Cryptocurrency Investment

Comparison of Regulations Concerning Cryptocurrency Investment		
	Regulations for Companies and Digital Asset Investors (Cryptocurrency)	**Regulations for Cryptocurrency Users**
Indonesia	(1) Article 1 Number 2 of Law Number 10 of 2011 concerning Amendment to Law Number 32 of 1997 concerning Commodity Futures Trading (2) Setting the commodity as the subject of a future contract as governed by the Regulation issued by the Head of Bappebti: (3) Article 3 of Commodity Futures Trading Law (4) The Regulation of the Head of Bappebti Number 3 of 2019 (5) Article 15 of Commodity Futures Trading Law "Bappebti is authorized to give approval to Futures Exchange to conduct physical	(1) PMK Number 68/PMK.03/2022

[71] Diana Setiawati et al, *Indonesian Model Foreign Direct Investment (Omnibus Law): Learning from China* (2021) at 2.

	commodity transactions (including crypto assets) and to set the procedures. (6) The Regulation of Minister of Trade Number 99 of 2018 (7) The Regulation of Bappebti Number 2 of 2019 concerning Commodity Physical Market in Futures Exchange (8) The Regulation of Bappebti Number 5 of 2019 concerning Technical Provisions of Physical Market of Crypto Assets in Futures Exchange. (9) The Regulation of Bappebti Number 6 of 2019 concerning Anti-Money Laundering Movement and Terrorism Funding Prevention related to the Commodity Physical Market in Futures Exchange. (10) The Regulation of Bappebti Number 9 of 2019 concerning the Amendment to the Regulation of Bappebti Number 5 of 2019 concerning the Technical Provision of the Physical Market of Crypto Assets in Futures Exchange. (11) The Regulation of Bappebti Number 2 of 2020	

	concerning the Second Amendment to the Regulation of Bappebti Number 5 of 2019 concerning Technical Provisions of the Physical Market of Crypto Assets in Futures Exchange. (12) The Regulation of Bappebti Number 8 of 2021 concerning the Guidelines of Physical Market of Crypto Assets (13) The Regulation of Bappebti Number 11 of 2022 concerning Registered Crypto Assets traded in the Physical crypto asset market (14) PMK Number 68/PMK.03/2022	
Singapore	(1) Payment Services Act of 2019 (2) Prevention of Money Laundering and Countering the Financing of Terrorism – Digital Payment Token Service (3) Omnibus Act (OA)	Inland Revenue Authority of Singapore (IRAS)
Canada	(1) Proceeds of Crime (Money Laundering) and Terrorist Financing Act	(1) Income Tax Act (ITA) 1985; (2) CRA Guide: Guide for Cryptocurrency Users and Tax Professional.
The United States	The Anti-Money Laundering Act of 2020 codifies prior	(1) Executive's Order by President Joe Biden

	Financial Crimes Enforcement Network (FinCEN) Each state in the US has its own provisions and laws	(2) IRS Virtual Currency Guidance: Virtual Currency is Treated as Property for US Federal Tax Purposes: General Rules for Transactions Apply, Notice 2014-36. (3) Electronic Fund Transfer Act (EFTA) 1978

The table above shows the regulations governing cryptocurrency digital assets. This is a measure of the readiness of the Indonesian state to accept investors who want to invest in the development of platforms in Indonesia. The complete regulation for investors who want to develop a business in digital assets in the form of cryptocurrency is the right momentum. Regulatory support for ease of investment is a boost for entrepreneurs. In addition, according to Andrew B. Jackson et al., "Regulators need to act swiftly to retain the confidence of investors, creditors, and governments to ensure that financial statements prepared by entities continue to present an accurate representation of their financial position and performance." The opinion conveyed by Andrew B. Jackson is regulated in PMK Number 68 / PMK.03 / 2022, which will help users and investors in reporting finances and taxation to the government. This makes Indonesia a suitable country to invest in, both as a cryptocurrency user and cryptocurrency platform owner.

V. CONCLUSION

According to the details of taxation in Canada, the United States, Singapore, and Indonesia, it is obvious that Indonesia gives ease to foreign cryptocurrency investors in Indonesia in the aspect of taxation law. The countries compared seem to charge very high taxes for cryptocurrency users and businesses in investment cryptocurrency. In terms of investment regulations, Indonesia has more extended legislation compared to those of other countries, where investment processes involving cryptocurrency businesses in Indonesia receive enough attention in the legislation. This comparison gives easier access to foreign investors to invest their assets for the development of cryptocurrency businesses and companies in Indonesia by considering the amounts of taxes imposed on cryptocurrency businesses and users. Limited regulations regarding the data safety of cryptocurrency users need to be highlighted by the states that are on their way to legalizing cryptocurrency. This matter has also captured the attention of the authors regarding state governments planning to develop cryptocurrency as a space for digital investment.

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