

Income Tax Regulation and Legal Certainty from the Minister of Finance Regulation (PMK) Number 68 of 2022 concerning Crypto Asset Trading Transactions in Indonesia

Eva mayasari, Stiami

Student Graduated NPM BC211120192
Final Semester Exams, Tax on Income Course
STIAMI Student Graduated, Academic Year 2021/2022
evamayasari910@gmail.com

DOI: 10.29322/IJSRP.12.08.2022.p12831
<http://dx.doi.org/10.29322/IJSRP.12.08.2022.p12831>

Paper Received Date: 18th July 2022
Paper Acceptance Date: 03rd August 2022
Paper Publication Date: 16th August 2022

Abstract-Regulations that accommodate the imposition of taxes on crypto assets are in line with the rampant transactions of these instruments in recent years, there has been no government policy towards the imposition of crypto asset taxes because the existence of regulations governing the taxation of crypto assets presents, on the one hand, the transactions of crypto assets are very large and can increase state income, on the other hand, the application of crypto assets is considered burdensome for crypto asset players. According to the government, the application of taxes on crypto is intended to equalize the treatment (same level of the playing field) with investment instruments on crypto and stock taxes. Crypto is not a currency or securities, but goods that contain other rights and interests in digital form. The implementation of trading through an electronic system or the so-called PPMSE has facilitated crypto asset trading transactions. This crypto asset transaction is also called an exchanger or physical trader of crypto assets (PFAK). Exchanges or PFAK registered with BAPPEBTI and providers of crypto asset wallet or electronic services, not only to investors but crypto tax rules are also imposed on crypto asset miners. The tax imposed is Income Tax. This research uses Qualitative research methods using a Literature Study The purpose of this study is to find out how income tax regulation and legal certainty on crypto asset trading transactions in Indonesia. Summed up 1. Award of the government collects crypto tax. the application of the tax on crypto is intended to equalize the treatment (same level of playing field) with investment instruments and a set of crypto in Indonesia has been regulated as a commodity item that can be traded on the futures exchange in accordance with the laws and regulations that the policy is included in an effort to increase state income. 2. Crypto assets in Indonesia have been legally traded, especially transactions carried out on physical traders of registered crypto assets. Not only that, tax regulations have also accommodated crypto transactions as tax objects, the policy is

regulated in the Minister of Finance Regulation No. 68 / PMK.03 / 2022 concerning Regulations on Value Added Tax and Income Tax on Crypto Asset Trading Transactions.

Index Terms-Crypto Assets, Additional capabilities, Legal Certainty, Commodities, digital goods.

I. INTRODUCTION

A. Background to the Problem

The crypto asset industry in Indonesia is still new. it needs a proper and non-restrictive regulatory review. Crypto Assets are intangible commodities that take the form of digital assets, using cryptography, peer-to-peer networks, and distributed ledgers, to organize the creation of new units, verify transactions, and secure transactions without interference from other parties. the imposition of a crypto tax will add to the legality of the industry. This indicates that crypto is already a legitimate asset or commodity in the eyes of the country's laws.

Crypto is not a currency or securities, but goods that contain other rights and interests in digital form. The presence of the Indonesian is still widely awaited by various parties because of the existence of crypto exchanges as part of the crypto asset legal trading ecosystem. On the other hand, people's enthusiasm is growing toward crypto assets as an investment.

Crypto assets in Indonesia have been legally traded, especially transactions carried out on physical traders of registered crypto assets. Not only that, tax regulations have also accommodated crypto transactions as tax objects. Crypto asset transactions will be officially subject to income tax per Week (1/5/2022). The

imposition of this tax is in accordance with the mandate of the Minister of Finance Regulation (PMK) Number 68 of 2022.

With the officialization of crypto asset transactions, the imposition of income tax on these crypto asset transactions will increase state income. Provisions regarding crypto asset trading are regulated and supervised by the Ministry of Trade through the Commodity Futures Trading Supervisory Agency. Therefore, crypto assets are regulated not as currencies or securities but are goods in the form of rights and other interests in the form of digital.

B. FORMULATION OF THE PROBLEM

1. What is the reason for the implementation of crypto asset income tax in Indonesia?

2. How is the tax regulation on crypto assets in Indonesia?

C. RESEARCH METHODS

Types Of Research The method that the author uses in this research is descriptive qualitative. This research is qualitative research which is one type of research that is commonly known, research methods based on the philosophy of post-positive are used to examine natural objects which in this study use literature study research.

. D. RESULT OF FINDING DISCUSSION

The government taxing crypto trading can be seen from the positive side, namely the recognition of the legality of crypto trading. The statement referred to the misalignment of policymakers' views on crypto trading that has recently emerged, especially the attitude of the Financial Services Authority (OJK).

Even though it has been under the supervision of the Commodity Futures Trading Supervisory Agency crypto asset trading was criticized by the OJK. Therefore, the emergence of a tax policy on crypto assets is nothing but a confirmation of the recognition of the legality of trading crypto assets. Because making crypto asset tax objects, it means that the state recognizes the legality of these crypto assets. Moreover, regulations related to investment through crypto assets already exist from Bappebti, so it is a question why the OJK some time ago issued a warning to banks in Indonesia

The imposition of a crypto tax also has the potential to have a negative effect on the trading scene which is just starting to grow. This taxation will be enough to disrupt the climate of crypto asset innovation in Indonesia. Because previously these assets were not taxed.

Although a crypto exchange has not yet been formed, the existence of tax rules that specifically regulate crypto assets has placed this digital asset as a potential state income and is no longer considered a threat.

Cryptocurrency is a digital or virtual currency secured by cryptography. With the presence of cryptography, making

cryptocurrencies is almost impossible to fake. Cryptocurrencies can also be used for transactions such as payments or transfers from one person to another online

Cryptocurrency can also be used as a means of payment for online purchase transactions by being exchanged into other currencies such as Dollars, Yen, Rupiah and other currencies.

Other advantages of cryptocurrencies are:

- High return
- Universal
- Fast and easy
- Transparent
- Safe and Legal

Crypto asset tax is a tax imposed by the government on investors or holders of crypto assets. The crypto tax provisions are contained in the Regulation of the Minister of Finance (PMK) Number 68 of 2022. This rule is a derivative of the Tax Regulation Harmonization Law (UU HPP). The basis for the imposition of income tax on crypto due to income from trading crypto assets is calculated as an addition to the economic capabilities obtained by the taxpayer. This is as stipulated in the Income Tax Law.

As mentioned above, now the government officially imposes a crypto tax in Indonesia under the legal umbrella of the HPP Law with technical implementing regulations through PMK 68 /PMK.03/2022.

This research focuses on the imposition of income tax on crypto assets. Regarding the determination of tax collection, the imposition of this tax generally raises a positive side, especially regarding the position of crypto as a digital commodity in Indonesia.

It is hoped that the PMK 68 regulation can encourage the growth of the crypto industry in the country, because there is stronger legal certainty and provides comfort and security for investors, and market participants can contribute to the country's economic development through crypto asset transaction taxes paid so that it can have a big impact on the growth of the number of investors and the volume of crypto transactions in the country

Subjects of income tax

Referring to Article 19 of PMK 68/2022, the subject of crypto tax or those subject to income tax or crypto income tax are:

1. Crypto asset sellers

Referring to Article 1 number 8 PER Bappebti 2/2020, physical traders of crypto assets are parties who get approval from the head of Bappebti to carry out crypto-asset transactions. Transactions can be made on behalf of oneself and/or facilitating transactions of crypto asset customers

2. PMSE Organizer

As stated in Article 4 paragraph (2) of Law No. 1 of 2020, the definition of PMSE is trading whose transactions are carried out through a series of electronic devices and procedures Article 12 of the rules explains, that services for providing electronic means used to facilitate crypto asset transactions are at least in the form of service activities:

- buying and selling crypto assets using fiat currencies;
- exchange crypto assets for other crypto assets (swaps);
- and/or electronic wallets (e-wallets) include deposits, withdrawals, transfers (transfers, crypto assets to other parties' accounts, and the provision and/ or management of crypto asset storage media.

3. Crypto Asset Miner (miner)

Referring to PMK No. 68/PMK.03/2022, the definition of crypto asset miner is stated in Article 1 Paragraph (18), which reads "Crypto Asset Miners are individuals or entities that carry out crypto asset transaction verification activities to get rewards in the form of crypto assets, either individually or in groups of crypto asset miners". In general, crypto-asset miners are parties who provide crypto asset transaction verification services and/or management services for crypto asset miners.

Income Tax Rates

- **0.1%: Final Article 22 Income Tax Rate on crypto asset trading income**

The Article 22 income tax rate on crypto asset trading of 0.1% of the value of crypto assets (if it is PFAK) is imposed on crypto asset trading sellers.

- **0.2: Final Article 22 Income Tax Rate on crypto asset trading income**

Article 22 income tax on crypto asset mining is 0.2% of the value of crypto assets (if not PFAK).

- **0.1%: Final Article 22 Income Tax Rate on crypto asset mining income**

The Final Article 22 Income Tax rate on crypto asset mining income is 0.1% of the income received or earned by crypto asset miners (miners), excluding VAT.

The imposition of a crypto tax or on crypto asset trading is to appoint a third party as the collector of income tax on crypto asset trading. Trade Through the Electronic System (PPMSE), both domestically and abroad. The organizer of trading through an electronic system or PPMSE is a taxpayer who has been confirmed as a Taxable Entrepreneur (PKP). PPMSE parties must also collect Article 22 income tax on crypto-asset transactions.

According to him, the tax policy will increase the legality of crypto assets as digital commodities that are recognized and legally traded in the eyes of the law. Previously, crypto had been recognized as a commodity through regulations from the Ministry of Trade and regulated by an institution called. cryptocurrency in Indonesia starting at the beginning of this month, namely as of May 1, 2022, where the digital asset was officially taxed by the Indonesian Government.

Meanwhile, the policy is regulated in the Regulation of the Minister of Finance No. 68 / PMK.03 / 2022 concerning Regulations on Value Added Tax and Income Tax on Crypto Asset Trading Transactions. Crypto assets are classified as commodities whose regulations are regulated in Bappebti Regulation No. 7/2020 concerning The Establishment of a List of Crypto Assets that can be Traded on the Physical Market of Crypto Assets.

Therefore, crypto assets are regulated not as currencies or securities but are goods in the form of rights and other interests in the form of digital. This is because Bank Indonesia states that crypto assets are not legal tender, while the Commodity Futures Trading Supervisory Agency and the Ministry of Trade affirm that crypto assets are commodities.

The impact on the growth of transactions and the number of investors may be the impact of the imposition of taxes. Therefore, the government must tighten supervision so that domestic crypto investors do not run away from transacting on foreign exchanges to avoid taxes. facilitating crypto asset transactions (exchange services and electronic wallets) is a taxable service

The goal is to provide legal certainty in society. The imposition of taxes on crypto transactions is not only valid when buying and selling occurs but also when exchanging crypto assets between investors

"Article 30 paragraph 1 of PMK Number 68 of 2022 also regulates income tax for miners by imposing Article 22 income tax which is final at a rate of 0.1 per cent. For miners, the Article 22 income tax must be deposited by themselves. In the case of income in the form of crypto assets, the income must be converted into rupiah based on the value of the crypto asset at the time of receipt or acquisition, in the system of the organizer of trading through an electronic system chosen by the crypto asset miner

In addition to imposing taxes on crypto asset trading, the government should also start preparing for the establishment of crypto exchanges. In addition to providing business certainty, legal certainty, and protection for crypto investors and consumers in Indonesia, the presence of crypto exchanges is also very important to supervise crypto trading. At the same time strengthens Indonesia's position as the centre of the world's digital economy, especially for the Asian and Southeast Asian regions.

E. CONCLUSION

1. Potential Returns Great The possibility of making a profit is the main reason why people tend to invest in cryptocurrencies. Trading with this currency, although relatively new, the

potential return is much higher compared to traditional types of investments such as stocks or other assets. A government bills crypto tax. the application of the tax on crypto is intended to equalize the treatment (same level of the playing field) with investment instruments and a set of crypto in Indonesia has been regulated as a commodity item that can be traded on the futures exchange in accordance with applicable laws and regulations and the basis for the imposition of income tax on crypto and income from trading crypto assets is calculated in addition to the economic capabilities obtained by the taxpayer. This is as stipulated in the Income Tax Law. that crypto assets are increasingly becoming a new prima donna in the world of investment and participating in helping the Indonesian economy through the digital economy.

2. Crypto assets in Indonesia have been legally traded, especially transactions carried out by physical traders of registered crypto assets. Not only that, but tax regulations have also accommodated crypto transactions as tax objects, the policy is regulated in the Regulation of the Minister of Finance No. 68 / PMK.03 / 2022 concerning Regulations on Value Added Tax and Income Tax on Crypto Asset Trading Transactions as of May 1, 2022.

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AUTHORS

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