

CHAPTER FIVE

CONCLUSION AND SUGGESTION

A. Conclusion

Based on the description in the finding and analysis, the author can conclude as follow:

1. The online form of bitcoin makes the Indonesian regulation on taxation not enough to impose a tax on bitcoin. It is very urgent to make a new regulation that can cover the bitcoin activity, not only because it is very potential to be the object of tax, but also because of the danger lies behind the great potential itself. Bitcoin can be used as payment in the online black market to buy illegal things, it also have risks to the data security of the user, and the most dangerous things is bitcoin can be used as a tool for tax evasion due to the numerous bitcoin wallets around the world. This problem is very urgent to be solved by creating a new regulation on the taxation of bitcoin. Based on the current legislation on taxation, bitcoin is possible to be imposed with both income tax and VAT. Bitcoin can be defined as one of the objects of tax in the Income Tax Law and VAT Law that have been regulated by Indonesia. Bitcoin has recently had their legality after BAPPEBTI enacted Regulation No 5/2019 on the technical provisions for the implementation of the crypto asset physical market on the futures exchange. This regulation clearly

stated that Indonesia now recognizes a company which have served in bitcoin trading market, thus Indonesia also recognizes the existence of bitcoin as long as the bitcoin is treated like property, not a currency.

2. The urgency and the possibility of bitcoin taxation is enough to be a foundation to create a regulation on bitcoin taxation. To create a perfect regulation, Indonesia may learn from the states that have been dealing with bitcoin taxation earlier than Indonesia, they are the USA and Australia. From both states it can be concluded that in the taxation law of bitcoin there must exist some elements into it. Taxation on bitcoin can simply use the Income-tax Law and VAT Law as the basis of the regulation, but in the regulation there must be a provision on how to prevent illicit use of bitcoin such as tax evasion and terrorism funding. There also must be a provision on the consumer protection, in exchange the user of bitcoin is obligated to record every transaction regarding bitcoin. The last element is the existence of state agency to supervise on bitcoin activity in Indonesia.

B. Suggestion

In order to impose a tax on the ownership of bitcoin in Indonesia, the author suggests that:

1. The Government of Indonesia should formulate a new regulation on taxation, especially on bitcoin taxation in order to impose tax on bitcoin

ownership. The regulation must cover provision on the prevention of illicit use of bitcoin, consumer protection, and obligation to make a report, and supervision on the activity of bitcoin. The government should also make a cooperation with bitcoin trading companies in order to prevent tax evasion that may arise due to the legalization of bitcoin. For the prevention of tax evasion, the government should ban the other bitcoin trading companies which had not been registered.

2. The bitcoin trading company should follow the regulation from the government, fulfill the requirement of bitcoin trading company and the company should give a clear report to the new agency that will be created with the bitcoin taxation law.
3. The owner of bitcoin must avoid the transaction of bitcoin outside the company that has been registered in Bapppebti because it holds a risk from hacking and scam that will bring losses to the owner of bitcoin.