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## THE LEGAL VACUUM IN LAW ENFORCEMENT OF DIGITAL CURRENCY CRIMES BY THE POLICE

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### ABSTRACT

The rapid development of digital currencies has introduced significant legal challenges, particularly concerning currency counterfeiting crimes. Existing regulations in Indonesia are often considered inadequate to address the complexities of such offenses, creating a substantial legal vacuum. This study employs a normative juridical research method with legislative and conceptual approaches to examine legal provisions and analyze the characteristics of digital currencies within the legal framework. The findings reveal critical regulatory gaps in defining and penalizing digital currency-related crimes, highlighting the urgent need for legal reforms. Key recommendations include strengthening regulatory frameworks, enhancing police investigative capabilities, and fostering cooperation between law enforcement and financial institutions. Establishing more precise legal definitions and providing specialized training for police officers are essential steps toward building a more responsive and effective law enforcement system capable of addressing digital-era crimes. These measures aim to improve legal enforcement practices and support the development of comprehensive digital currency regulations.

**Keywords:** criminal acts, digital currency, legal vacuum, police

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### INTRODUCTION

Digital currency, often referred to as cryptocurrency, is a form of money that exists only in digital form and has no physical representation (Fan et al., 2024; Nyffenegger, 2024; Xiang et al., 2024). This currency uses cryptographic technology to ensure the security and validity of transactions (Dimitriadis et al., 2024; Xiao et al., 2024). Broadly, digital currency is defined as a unit of value that is created and managed electronically and can be used as a medium of exchange in online transactions. One of the main characteristics of digital currency is decentralization; many of them are not managed by a central authority, such as banks or governments, but instead operate on a distributed peer-to-peer network (Abdurrohim et al., 2019).

There are several well-known types of digital currencies, including Bitcoin, Ethereum, and stablecoins. Bitcoin, launched in 2009 by an individual or group using Satoshi Nakamoto's pseudonym, is the first and most famous digital currency. Bitcoin utilizes blockchain technology, which is a digital ledger that records all transactions made, making it transparent and immutable (Chen et al., 2025; de Prince et al., 2025; Zhu et al., 2024). Ethereum, introduced in 2015, is a broader platform where the currency Ether serves as fuel for running decentralized applications. Ethereum allows developers to create smart contracts, which are programs that run automatically when certain conditions are met. On the other hand, stablecoins are a type of digital currency designed to have a stable value, usually pegged to a specific asset, such as the US dollar or gold. This aims to

address the volatility often seen in other digital currencies, making them more suitable for everyday transactions (Bhiantara, 2018).

The growing adoption of digital currencies, driven by technological advances and financial innovation, has presented unique legal challenges. These include regulatory gaps in addressing currency-related crimes, particularly in law enforcement practices. Transactions using digital currencies are now becoming more common, both for investments, payments for goods and services, and for transferring money between individuals. Many large companies have begun accepting digital currencies as a payment method. At the same time, trading platforms have made it easier for people to buy and sell digital currencies more safely and securely.

Additionally, advancements in technology and improved regulations have also supported the growth of the digital currency ecosystem. Society is now more open to the concept of currency without physical form, and this has the potential to change the way we transact in the future. In many countries, including Indonesia, the use of digital currencies is on the rise, with many individuals and businesses beginning to explore the potential offered by this technology (Fibriyani et al., 2024; Mulyanto, 2015; Schmidt, 2014).

Crimes against currency are often perpetrated by individuals from middle or upper socioeconomic classes who have good education and social status compared to those from economically disadvantaged backgrounds. One form of this crime is the utilization of coins as raw materials for jewelry, where the perpetrators collect and melt down coins because their material value is higher than their nominal value. This action harms the state, particularly Bank Indonesia, as the authority responsible for issuing currency, as well as the public who receives counterfeit money (Daniel Sembiring, 2018). The losses are physical and material, as they can diminish public trust in the currency as a legitimate means of payment, especially amidst high economic fluctuations, where many people feel safer holding dollars than the rupiah. Money plays a crucial role in human life and the economy, symbolizing a country's stability and economic growth. The high demand for cash often drives individuals to commit illegal acts to obtain money unlawfully, making money not only a means of payment but also an instrument of power and unity within the economy (Aringing, 2015).

The legal framework governing currency in Indonesia primarily addresses physical currency, creating a regulatory gap in managing digital currency crimes. This study examines how current laws fall short in addressing crimes involving digital currencies and the implications for law enforcement. As a legal means of payment in Indonesia, the evolution of currency from physical money and bank money to digital currency has led to changes in the types of crimes related to money. Offenses regulated under Articles 244 and 245 of the Indonesian Penal Code, as well as Law No. 7 of 2011 on Currency, have now shifted to crimes related to computer and digital access, indicating an adaptation of criminal activity to technological advancements. Money, as a valuable asset, becomes a target for many individuals, who often attempt to obtain it through unlawful means. This drives some individuals to take shortcuts, which are categorized as criminal offenses within the legal context (Roestamy et al., 2022).

Counterfeiting currency poses significant societal harm and is regulated under Indonesian law, including Articles 244 to 251 of the Penal Code and 23 to 37 of Law No. 7 of 2011 on Currency. These laws designate the rupiah as the only legal currency safeguarded by specific banknote features such as design and printing techniques to prevent counterfeiting (Bahri & Ramaditya, 2024). Currency counterfeiting is considered a serious crime, involving not only the act of creating fake money but also its circulation. Legal definitions emphasize intentional acts punishable by up to 15 years in

prison, reflecting this crime's severe economic and social consequences. (Abraham et al., 2018; Bahri & Ramaditya, 2024; Fibriyani et al., 2024; Makmur, 2024; Mohamed Ibrahim, 2019; Sukmaningrum et al., 2023).

The repression of currency counterfeiting crimes through the enforcement of criminal law is a strategic step to eradicate and address this crime by law enforcement authorities within the criminal justice system. The process of combating this crime begins with the actions of the police, who act as investigators to entrap the perpetrators of currency counterfeiting. In order to designate a suspect, investigators must first prove the existence of elements of wrongdoing. This process of proof is crucial, as determining whether someone is guilty or not is inseparable from the criminal acts they have committed. In this regard, the Law on Currency has outlined several measures to expand investigative activities, which include access to electronic data and the seizure of relevant evidence (Putro & Soponyono, 2015).

One of the challenges faced by the police in law enforcement against currency counterfeiting is the limited authority of investigators to access electronically stored data. In the pursuit of evidence, investigators have the right to gain access to and examine data stored in computer archives, internet networks, and other data storage media. This is especially important as many counterfeiting activities occur through digital technology. Additionally, investigators are also permitted to seize evidence from data owners and electronic service providers, which can serve as crucial evidence in the investigative process. If a connection between the electronic data and the case being handled is established, that data must be included in the case file. However, if there is no connection, investigators are obliged to delete that data and maintain the confidentiality of the information deleted—this demands discipline and high responsibility from law enforcement authorities.

This repressive law enforcement also demonstrates that the Indonesian National Police (Polri) acts as a subsystem within the criminal justice system, aimed at uncovering the material truth related to the crime of currency counterfeiting. This includes fulfilling the objective criteria of the offense, such as the behavior of the perpetrator, the consequences of those actions, and other legal elements that underpin the unlawful nature of the acts committed. Herein lies another challenge: how to align the goals of the law with the facts revealed in the field. The law enforcement process requires not only expertise in legal aspects but also skills in analyzing various types of evidence and data that are often complex. With the increasing use of technology in counterfeiting crimes, the police must rapidly adapt to these changes, both in technical knowledge and procedural aspects, in order to effectively combat the crime.

The urgency of this research lies in the importance of understanding and analyzing the legal gaps in law enforcement against digital currency crimes in Indonesia, which are increasingly prevalent alongside technological advancements and innovations in the financial sector. With the growing use of digital currencies such as Bitcoin and Ethereum, as well as the emergence of various forms of related crimes, including counterfeiting and fraud, this study aims to identify gaps in existing regulations and the challenges faced by law enforcement authorities in addressing these crimes. This study aims to identify legal gaps in Indonesia's regulatory framework for digital currencies and assess the effectiveness of law enforcement practices, focusing on police authority and investigative procedures. The research also seeks to propose legal reforms and institutional improvements to enhance the capacity of law enforcement agencies.

## **METHOD**

This study employs a normative juridical research method to analyze legal vacuums in enforcing digital currency-related crimes. This approach involves examining legal norms, regulations, and judicial decisions relevant to currency counterfeiting and digital currency offenses. Two analytical approaches—legislative and conceptual—are applied to provide a comprehensive legal evaluation. The legislative approach focuses on analyzing legal sources such as the Indonesian Penal Code, Law No. 7 of 2011 on Currency, and other relevant legal instruments. This approach helps identify regulatory gaps, inconsistencies, and ambiguities in existing laws concerning digital currency crimes, particularly in criminal definitions and legal enforcement procedures.

The conceptual approach explores the definitions, characteristics, and evolving legal status of digital currencies. This analysis includes examining how digital currencies fit within existing financial and criminal legal frameworks and assessing their impact on the broader legal system. Key legal theories on cybercrime and digital asset regulation support this evaluation. The research analysis process involves systematically reviewing legislative texts, legal precedents, and scholarly articles. Legal interpretations are compared to identify contradictions or enforcement challenges.

Furthermore, the study evaluates law enforcement practices by assessing procedural issues faced by investigators and legal practitioners in prosecuting digital currency-related crimes. This methodological approach enables an in-depth exploration of legal gaps and supports the formulation of recommendations for strengthening digital currency crime regulation. The findings aim to contribute to developing a more effective, adaptive, and technologically responsive legal system in Indonesia.

## **RESULT AND DISCUSSION**

### **Effectiveness of the Police Role in Addressing and Investigating Digital Currency Counterfeiting Crimes in Indonesia**

Currency in Indonesia serves as a legal payment tool in transactions, and currently, the use of electronic money is becoming increasingly popular. The shift from cash payments to cashless transactions has become a significant trend, with payment systems that were initially based on paper, such as checks and giro, now evolving into more advanced and efficient forms, namely digital payments. This digital payment method, which no longer relies on paper, creates a demand for transaction speed in the era of electronic trade. Virtual currency, or what is commonly known as cryptocurrency, is the result of the application of cryptographic technology. This technology can transform original data into a more secure form that can only be accessed by parties that possess the encryption keys. However, the existing criminal regulations in Indonesia that govern counterfeiting do not fully encompass regulations regarding electronic money, resulting in legal gaps in handling counterfeiting crimes. Current laws tend to focus on the counterfeiting of physical currency and giro and do not explicitly include the counterfeiting of digital currency. This can create a situation where banks, as issuers of electronic money, are more protected than the public. For example, if individuals encounter issues related to electronic money, they tend to hold the issuing bank accountable. This highlights that banks feel more losses from counterfeiting electronic money than individuals. In contrast, Denmark has clear laws that regulate electronic currency counterfeiting, including criminal threats for those involved in such activities.

Cryptocurrency has emerged as an alternative to conventional payment tools and is expected to address various shortcomings present in traditional currency systems. However, over time, the function of cryptocurrency has begun to shift from being a payment instrument to an investment vehicle. The volatile value of cryptocurrencies presents opportunities for profit, leading many individuals and companies to utilize them as a means to gain profit rather than merely as a medium of exchange. Nonetheless, this shift also brings various issues, such as value uncertainty, lack of user protection, and the risk of abuse for criminal activities like money laundering. Reactions to this phenomenon vary across countries. Some countries, including China and Russia, have banned the use of virtual currencies, while Indonesia has issued a strict prohibition through Bank Indonesia (BI). On January 13, 2018, BI officially banned cryptocurrency trading, citing Law No. 7 of 2011 concerning Currency.

However, despite this ban, the use of cryptocurrency among the public shows no signs of declining. Many individuals remain active in transacting using cryptocurrencies, indicating that the ban has yet to have a significant impact on controlling their use. The prohibition issued by Bank Indonesia was supposed to aim at protecting the public from risks associated with cryptocurrencies. Still, in reality, individuals continue to have the freedom to use and trade these currencies. In the context of combating counterfeiting, Law No. 7 of 2011 emphasizes that the government carries out these efforts through various institutions, including the Indonesian National Police (POLRI).

Counterfeiting crimes refer to acts that create a form of falsehood or deception against a specific object, making the object appear legitimate while contradicting reality. These actions, including currency counterfeiting, are clearly regulated in legislation. In Indonesia, the provisions regarding currency counterfeiting are found in Article 36 of Law Number 7 of 2011 concerning Currency. This article states that anyone proven to have counterfeited the Rupiah may face a maximum prison sentence of ten years and a fine of up to ten billion rupiah. Additionally, Article 26, paragraph (1) states that anyone is strictly prohibited from counterfeiting the Rupiah.

One standard method of counterfeiting is imitation or counterfeiting itself. This imitation is done by reproducing or duplicating documents or other objects in their entirety. In the context of paper currency counterfeiting, perpetrators attempt to produce fake money that closely resembles authentic currency. However, it should be noted that paper currency is equipped with various high-security features, making counterfeits often of much lower quality compared to the originals. The currency regulated by this Law is the Rupiah, which is the official currency issued by the Unitary State of the Republic of Indonesia. Article 11 of Law Number 7 of 2011 affirms that Bank Indonesia has the mandate as the sole institution authorized to issue, circulate, and withdraw the Rupiah from circulation.

To maintain the quality of the Rupiah in the community, Bank Indonesia has implemented policies that allow for the replacement of unworthy Rupiah with those suitable for circulation. This policy aims to ensure that the Rupiah in circulation has good quality and can easily be recognized for its authenticity by the public. In Article 1, paragraph 5 of Law No. 7 of 2011, it is defined that the characteristics of the Rupiah are certain features established to indicate identity, distinguish prices or nominal values, and secure the Rupiah from counterfeiting attempts.

Currency's position and legal status are regulated in the Penal Code (KUHP) and Law No. 7 of 2011, creating a rigorous legal framework in responding to currency counterfeiting crimes. Both regulations explicitly provide criminal penalties for counterfeiters; however, there are gaps in this regulation. Both only address and impose sanctions for counterfeiting crimes related to paper

currency without including criminal actions involving Giro Money and Digital Money, including Electronic Money. This limitation poses challenges for investigators during their investigations as they need help to classify counterfeiting actions involving these more modern forms of money as crimes related to currency.

Giro Money is a type of money deposited in banks according to banking law and is regulated through a deposit agreement between customers and banks. The characteristics of Giro Money distinguish it from Physical Currency, giving them different functions in the economic system. Physical Currency, commonly known as cash, is a form of money that is widely used in daily transactions and can be directly carried by its owner in varying amounts. In contrast, Giro Money exists in bank accounts, and its withdrawal depends on the type of deposits held by the customer. In other words, while Giro Money belongs to the customer, it is not physically in the hands of the owner but is stored in the bank.

The development of technology has also given rise to new forms of money, namely Digital Money and Electronic Money. The existence of these two types of money changes financial transaction patterns, where cash transactions are no longer the only option relied upon. In the digital era, bank customers holding Giro Money and Electronic Money can conduct transactions without directly interacting with another party. For instance, when a customer needs a new vehicle, the process of transferring funds through the banking system is no longer a barrier. On the other hand, this also reduces security risks for customers, as they do not need to worry about carrying large amounts of cash that could become targets for theft or robbery. Transaction systems relying on information technology, such as using Short Message Service (SMS) or online platforms, represent a tangible shift in the character of transactions offered by Digital Money and Electronic Money.

### **Challenges Faced by the Police in Law Enforcement Against Crimes Involving Digital Currency and Legal Reforms on Digital Currency Crimes**

The challenges faced by law enforcement regarding currency counterfeiting in Indonesia are very complex. The legal gaps in the regulation of Giro Money and Digital Money create difficulties in addressing crimes that may arise from the use of these forms of currency. The obstacles faced by the police as investigators in combating the counterfeiting of physical currency are diverse, particularly concerning internal aspects. This includes constraints related to the formal legality underlying the authority and working procedures of various law enforcement agencies. These difficulties become even more complex when dealing with counterfeiting cases perpetrated by organized groups. One significant internal obstacle is the need for coordination among law enforcement officials on the ground regarding the proving of currency counterfeiting crimes. This is evident from the persistent discrepancies in perceptions regarding the application of law as contained in the Penal Code and Law No. 7 of 2011 concerning Currency.

To address this issue, efforts need to be made to enhance coordination and establish memorandums of understanding between law enforcement agencies within the criminal justice system framework. This step is essential to create a shared understanding concerning the proof of counterfeiting cases. Additionally, investigators should be more proactive in breaking the chain of counterfeit currency circulation, primarily through collaboration with Bank Indonesia as the issuing authority.

Human resources also pose another critical obstacle. Many investigators need formal legal education or possess the techniques and tactics needed for investigating currency counterfeiting

cases. Investigations in this context require specialized expertise that not all investigators have. Therefore, to address this constraint, it is necessary to enhance the quality of investigators through training and participation in seminars related to combating counterfeiting crimes. Furthermore, the high intensity of counterfeiting crimes, along with the variety of methods used by offenders, combined with the limited number of qualified investigators, contributes to a lack of professionalism in law enforcement. According to R. Soesilo, the professionalism of an investigator is determined by knowledge, capability, and attitudes that align with their duties, supported by adequate equipment and funding. Hence, achieving a good standard of professionalism relies heavily on human factors alongside sufficient resources, infrastructure, and budget.

Additionally, the low moral integrity and ethics among law enforcement officials is another major problem that undermines law enforcement against currency counterfeiting crimes. Law enforcement agencies must have two key aspects: integrity and professionalism. Both of these do not arise spontaneously but are shaped through a sound system, including a rigorous recruitment and selection process. Acting against law enforcement officials who violate regulations is also an essential step in building integrity, but this must be accompanied by transparency and accountability within the legal system.

Another obstacle that needs to be addressed is the need for more investigations against individuals who act as instigators or masterminds within the counterfeit currency distribution network. To enhance the effectiveness of investigations, investigators need to take proactive measures to unveil the networks involved in currency counterfeiting. This requires intensive coordination and cooperation with agencies that have authority in currency issuance. In criminal law, the roles of each participant in a crime are classified into several categories. For example, "*dader*" refers to the individual fully responsible for the criminal act, while "*mededader*" and "*medepleger*" are accomplices in the act. Moreover, there is "*doen pleger*," who instructs others to commit crimes, and "*uitlokker*," who persuades others to commit offenses. Understanding these roles and classifications is essential in formulating more effective investigative strategies to ensnare organized currency counterfeiting criminals.

Currently, investigations carried out by law enforcement officials often focus only on the individuals circulating counterfeit money. This creates difficulties in fulfilling the subjective element of the crime, namely *mens rea*. In the context of criminal law, proving for investigators serves as a repressive action against the perpetrators, based on two main elements: the subjective element or *mens rea* and the objective element or *actus reus*. The *mens rea* that must be proven includes knowledge, meaning the perpetrator must realize or should suspect that the money they received is counterfeit, and intention, meaning the perpetrator has the purpose of committing the crime. In this regard, it must be shown that the perpetrator knew and understood that the money they spent was counterfeit, thereby allowing responsibility for the act to be charged to them.

In the criminal law system, the accountability of the perpetrator cannot be separated from the existence of a blame element, whether in the form of intent or negligence. This means that to impose criminal sanctions, there must be a transparent element of guilt from the perpetrator, either due to malicious intent or negligence in action. This criminal accountability ensures that no sanctions are imposed on an individual unless they can be held accountable objectively and subjectively. Therefore, in the context of currency counterfeiting crimes, it is unacceptable that a perpetrator cannot be held responsible for their actions if it is proven that they had knowledge and intention to commit the act. The requirements for imposing penalties include unlawful acts and the perpetrator's

ability to bear responsibility. In this case, wrongdoing and unlawful acts become essential conditions in determining whether someone can be subjected to criminal sanctions. A sound conception of criminal responsibility includes several prerequisites: the existence of a criminal act committed by the perpetrator, the presence of a blame element in the form of intent or negligence, the ability of the perpetrator to be held accountable, and the absence of exculpatory reasons that can absolve them from criminal responsibility.

The investigation process in currency counterfeiting cases also requires complete documentation before being submitted to the prosecutor's office. The investigative files can only be submitted once all evidence, including exhibits, is complete. Counterfeiting crimes can usually be clearly proven when the perpetrator is caught in the act, allowing the evidence to be comprehensively included in the submitted files. In many cases, confessions from suspects also bolster the existing evidence. Therefore, the charges prepared tend to be simple and are often similar to other less complex cases. This makes the legal process in court easier, and it is usually viewed that during trials, the examination of the accused need not be extended to other matters but should focus on the elements specified in the charges.

Law Number 7 of 2011 concerning Currency has established criminal provisions related to currency counterfeiting. In this regulation, counterfeiting of physical currency is defined as a crime that may be categorized as either a crime or a misdemeanor. Mahmud Mulyadi explains that criminalization, including currency counterfeiting, must consider several aspects. First, criminal law needs to be used to create a just and prosperous society, both materially and spiritually. Second, criminal law should function as a tool to prevent or mitigate undesirable actions. Third, each use of criminal law accompanied by negative sanctions should consider the principle of cost and benefit, ensuring that the costs and benefits of the legal application are balanced. Lastly, it is essential to consider the capacity of law enforcement institutions in carrying out their duties so as to avoid creating excessive workloads.

Financial transactions are increasingly shifting to digital platforms, and the emergence of digital currencies or cryptocurrencies presents new challenges in law enforcement. While digital currencies have great potential, they are often exploited by specific individuals to commit crimes. To date, digital currencies are recognized as commodity assets and have not received official recognition from the Indonesian government as currencies equivalent to the Rupiah. This is due to regulations prohibiting their use as official payment instruments. However, crypto assets, as regulated by the Minister of Trade of the Republic of Indonesia Regulation No. 99 of 2018 and BAPPEBTI Regulation No. 5 of 2019, can be viewed as legitimate corporate assets. The use of cryptocurrency as an official payment tool in Indonesia remains complex. Although recognized as an asset, many still perceive that the existence of counterfeit digital currencies could disrupt economic stability. The presence of these counterfeit currencies is highly detrimental, as they not only cause losses to individuals who use them but also negatively impact the country's overall economy. The circulation of counterfeit money, including illegitimate digital currency, presents an ongoing challenge that must be addressed.

The police play a crucial role in combating crimes related to digital currencies. Some measures taken by the police include collaboration with Bank Indonesia, which is the central bank, and the prosecution service for law enforcement. This collaboration is not only national but also involves international cooperation through organizations like Interpol. These efforts are critical given that cybercrime, including digital currency counterfeiting, frequently involves perpetrators operating

across national borders. In handling evidence related to digital currency, the police must ensure that no damage occurs during the gathering and storage processes. For instance, when collecting evidence regarding counterfeit digital money, actions must be taken carefully to avoid compromising the existing evidence. The collection must be undertaken following strict procedures, including wearing gloves to prevent unwanted fingerprints and neatly recording serial numbers. This is crucial to ensure that every step in law enforcement can be accounted for and does not harm the parties involved.

From a broader perspective, combating the circulation of counterfeit digital currency must be addressed through a comprehensive approach. This includes strict law enforcement against the perpetrators, educating the public about the dangers of counterfeit currency, and strengthening regulations governing the use of cryptocurrencies in Indonesia. Without these measures, the potential negative impacts of counterfeit digital currency circulation could harm the public and the nation's economic stability. Effective countermeasures must involve all elements of society, including the government, financial institutions, and the general public, to create a safe and trustworthy financial environment.

Legal and regulatory reforms within the police force are essential to face new challenges arising from technological developments and the complexities of crime, particularly in the context of digital currency and currency counterfeiting. In the current digital era, where financial transactions increasingly depend on online platforms and cashless payment systems, existing regulations must be updated to accommodate these changes. Legal uncertainties and gaps in regulations regarding cryptocurrencies and digital transactions pose more significant risks to society, making law enforcement increasingly difficult. Therefore, comprehensive revisions to laws regulating the use and counterfeiting of currency are necessary so that the law can be more responsive to the new challenges faced. One crucial aspect of this reform is more precise and more explicit regulations concerning digital currencies. Cryptocurrencies, as a new form of currency, must receive special attention in the law. Currently, many transactions are conducted using digital currencies that are not registered or regulated by the government, creating legal loopholes that criminals exploit. Consequently, the new laws should include detailed provisions regulating definitions, use, and penalties for violations related to digital currencies. This aims to provide legal certainty for the public and establish a foundation for more effective law enforcement.

Moreover, reforms in police regulations are also critical to enhancing the capacity and capabilities of law enforcement institutions in handling crimes related to digital currency. Effective law enforcement in the context of cybercrime and currency counterfeiting requires suitable training and skill development for police officers. They need to understand not only the legal aspects but also the technical aspects of digital currencies and cybercrime. This training should encompass the latest technologies, digital investigative methods, and practical international cooperation to combat cross-border crimes that often occur in these cases. Reforms should also promote increased collaboration between the police and financial institutions, including banks and payment service providers. With closer collaboration, information and data related to suspicious transactions can be more easily shared, thereby expediting the detection and prevention of crimes. Financial institutions have a vital role in monitoring transactions, so policies that facilitate this cooperation will be very beneficial in creating a safer and more trustworthy system.

**CONCLUSION**

The legal vacuum in law enforcement against digital currency-related crimes presents significant challenges that require urgent attention. Existing Indonesian regulations, such as Law No. 7 of 2011 on Currency and the Penal Code, cannot address evolving crimes like digital currency counterfeiting. This study highlights the need for legal reforms focusing on strengthening regulatory frameworks, enhancing police capacity through specialized training, and fostering collaboration between law enforcement and financial institutions. These measures are essential for establishing an effective and responsive law enforcement system in the digital era.

Additionally, the study underscores the importance of public awareness campaigns to reduce the risks associated with digital currency crimes. Policymakers must create comprehensive legal frameworks that balance technological advancement with public protection, ensuring economic stability and legal certainty. While this research provides valuable insights, certain limitations should be acknowledged. The study primarily focuses on Indonesia's legal context, limiting its generalizability to other jurisdictions. Additionally, data were drawn mainly from legal statutes, government regulations, and secondary literature, leaving room for empirical research involving interviews with law enforcement officials or case study analyses. Future research could explore cross-border regulatory frameworks, international cooperation in combating digital currency crimes, and comparative analyses with countries that have established advanced digital currency laws. These avenues could further strengthen the understanding and regulation of digital currency crimes on a global scale.

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