

## Legal Framework and Criminal Sanctions for Bitcoin-Based Narcotics Transactions

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Article	Abstract
<p><b>How to cite:</b>          Maria Dona Kristina Wati, et.al, 'Legal Framework and Criminal Sanctions for Bitcoin-Based Narcotics Transactions' (2025) Vol. 6 No. 2 Rechtenstudent Journal Sharia Faculty of KH Achmad Siddiq Jember State Islamic University.</p> <p><b>DOI:</b>          10.35719/rch.v6i2.347</p> <p><b>Article History:</b>          Submitted: 02/04/2025          Reviewed: 18/06/2025          Revised: 07/08/2025          Accepted: 15/08/2025</p> <p><b>ISSN:</b>          2723-0406 (printed)  <b>E-ISSN:</b>          2775-5304 (online)</p>	<p>The rapid development of digital technology has transformed the global financial landscape with the emergence of virtual currencies such as Bitcoin. As a decentralized digital asset based on blockchain technology, Bitcoin enables fast, anonymous, and cross-border transactions without central authority intervention. While these features offer convenience, they also pose risks of abuse in illegal activities, including narcotics transactions. In Indonesia, the use of Bitcoin in drug-related offenses presents complex legal challenges due to the absence of explicit criminal regulations governing such usage. This study examines the criminal liability of narcotics offenders who utilize Bitcoin, focusing on three core issues: the juridical basis for punishment, the characteristics of punishment under Indonesia's legal system, and an ideal penal concept for the future. The research employs a normative juridical method with statutory, conceptual, and case study approaches. Findings indicate that punishment remains based on Law No. 35 of 2009 on Narcotics, with Bitcoin regarded as a means rather than a core element of the crime. Although it does not constitute a new offense, its use may aggravate punishment through individualized sentencing. Sanctions involving digital assets remain suboptimal due to regulatory gaps. Therefore, this study recommends revising criminal laws to explicitly regulate Bitcoin use in drug crimes, developing sentencing guidelines that consider technological factors, and formulating responsive penal policies, including asset seizure and inter-agency collaboration through blockchain forensic technology.</p> <p><b>Keywords:</b> <i>Bitcoin, Narcotics, Criminal Punishment.</i></p> <p><b>Abstrak</b></p> <p>Perkembangan teknologi digital yang pesat telah memicu transformasi dalam sistem keuangan global melalui kemunculan mata uang virtual seperti Bitcoin. Sebagai aset digital terdesentralisasi berbasis blockchain, Bitcoin memungkinkan transaksi yang cepat, anonim, dan lintas batas, tetapi juga berpotensi disalahgunakan untuk kejahatan, termasuk dalam transaksi narkoba. Di Indonesia, persoalan hukum muncul karena belum adanya pengaturan pidana yang secara eksplisit mengatur penggunaan Bitcoin dalam tindak pidana narkoba. Penelitian ini bertujuan mengkaji pemidanaan terhadap pelaku transaksi narkoba yang menggunakan Bitcoin dengan merumuskan tiga masalah utama: landasan yuridis pemidanaan, karakteristik pemidanaan dalam sistem hukum Indonesia, serta konsep pemidanaan ideal untuk masa depan. Metode yang digunakan adalah yuridis normatif dengan pendekatan perundang-undangan, konseptual, dan studi kasus. Hasil penelitian menunjukkan bahwa pemidanaan tetap mengacu pada UU No. 35 Tahun 2009, di mana Bitcoin diposisikan sebagai sarana tindak pidana. Meskipun belum membentuk tindak</p>

pidana baru, penggunaannya dapat memperberat pidana melalui individualisasi. Pidana tambahan terhadap aset kripto belum optimal karena kekosongan hukum. Oleh karena itu, diperlukan reformulasi regulasi pidana yang eksplisit, pedoman pemidanaan berbasis teknologi, serta konsep pemidanaan yang responsif terhadap perkembangan digital, termasuk penyitaan aset kripto dan kolaborasi lintas lembaga melalui teknologi forensik blockchain.

**Kata Kunci:** *Bitcoin*, Narkotika, Pemidanaan.

## Introduction

Modern developments have driven a transformation in economic exchange, from a barter system to the use of precious metals, banknotes, and checks, and now to digital forms. The public's need for fast and convenient transaction methods has driven the emergence of electronic payment systems, including the use of cryptography-based virtual currencies. This change not only reflects technological advancements but also marks a shift in the global economic structure toward financial digitalization.<sup>1</sup> Advances in digital technology have also accelerated the transformation of banking services, one of which is through the development of electronic banking systems (e-banking) and electronic money (e-money) which enable transactions to be carried out instantly.<sup>2</sup> In 1983, David Chaum introduced the first concept of electronic money, called e-cash, with the aim of maintaining transaction privacy and avoiding intervention by traditional financial institutions. This technology later evolved into the blockchain system, a decentralized digital record-keeping system that became the foundation for the emergence of cryptocurrencies like Bitcoin.<sup>3</sup>

Bitcoin is the first form of digital currency to utilize an open-source, peer-to-peer (P2P) system with a high level of security. Bitcoin transactions are automatically recorded in a digital ledger using mathematical algorithms, minimizing the possibility of human error.<sup>4</sup> In Indonesia, Bitcoin and other cryptocurrencies have been widely traded through platforms like Indodax, with exchange rates steadily increasing. To date, more than 700 cryptocurrencies are traded globally.<sup>5</sup> Despite its advantages in terms of technological efficiency and security, Bitcoin's anonymous and decentralized nature poses a risk of misuse, particularly in criminal activities such as drug transactions. Bitcoin's lack of oversight by a central authority and its lack of recognition as legal tender makes it vulnerable to misuse for illegal activities. In the Indonesian legal context, there are no explicit regulations governing criminal penalties for the use of Bitcoin in drug transactions. This complicates law enforcement's evidentiary process, as the Indonesian criminal justice system still relies heavily on physical evidence and conventional transaction records.<sup>6</sup>

The phenomenon of Bitcoin misuse is exacerbated by the formation of online communities that are permissive of the use of technology in illegal activities. New social norms formed within these digital communities often normalize unlawful acts, including drug

<sup>1</sup> Khairul Anwar, *Transaksi Bitcoin Perspektif Hukum Islam* (Yogyakarta: Tesis UIN Sunan Kalijaga, 2016), h. 9.

<sup>2</sup> Rahma Novita Pura, *Cybercrime Melalui Bitcoin*, *Journal Justice*, Vol. 2, No. 2, 2020, h.65.

<sup>3</sup> Asep Syarifuddin Hidayat et.al, *Mata Uang Kripto* (Legalitas Fikih Dan Hukum di Indonesia) (Jakarta: Pascal Books, 2022), h.38.

<sup>4</sup> Dimaz A. Wijaya, *Mengenal Bitcoin dan Cryptocurrency* (Medan: Puspantara, 2016), h. 15.

<sup>5</sup> Sondakh Alfred, *Berburu Bitcoin, Bagaimana Memanfaatkan Peluang Sukses Melalui Mata Uang Global Ini* (Jakarta: Grasindo, 2016), h. 38.

<sup>6</sup> Rajkumar S, et.al, "Cryptocurrency's Dark Side: Uncovering its Role in Money Laundering and Illicit Transactions." *Empirical Economic Letters* 23, No. 1, (2024):175. <https://doi.org/10.5281/zenodo.13620284>

trafficking.<sup>7</sup> When the line between legal and illegal becomes blurred, especially in a digital space with minimal controls, individuals with low digital literacy become more susceptible to crime. A lack of understanding of the technical aspects, security risks, and legal consequences of Bitcoin use is a driving factor in increasing public participation in illegal activities, both as perpetrators and victims.

Narcotics transaction cases involving Bitcoin are still handled based on general provisions in laws and regulations, without specific provisions that accommodate the characteristics of this technology. This situation creates legal gaps in efforts to enforce criminal justice. Therefore, it is crucial to develop a legal framework that is adaptive and responsive to the dynamics of digital technology. Relevant and comprehensive regulations are needed to ensure legal certainty, provide a deterrent effect, and prevent the misuse of digital assets in criminal acts.<sup>8</sup> This study aims to determine and analyze the legal basis for criminalizing perpetrators who use Bitcoin in narcotics transactions, identify the characteristics of such criminalization, and formulate an ideal criminalization concept that is adaptive to the challenges of future technological developments. Theoretically, this research is expected to contribute to the development of criminal law and information technology law. Practically, the results of this study are expected to provide relevant and effective legal policy recommendations for addressing digital technology-based crimes, particularly those involving crypto assets such as Bitcoin.

## **Research Method**

The research method used is the normative-juridical legal research method. The normative-juridical legal research method focuses on the analysis and interpretation of applicable laws and regulations, legal doctrine, and court decisions in a legal matter. In this method, researchers use legal sources as the primary basis for answering the legal problem being studied.<sup>9</sup> The aim is to identify the basic and fundamental meanings of law, namely legal society, legal subjects, rights and obligations, legal events, legal relationships, and legal objects.

This research uses a library research method to obtain primary and secondary legal materials sourced from books, legislation, journals, legal articles, and other related literature. The normative juridical method is used to examine law as a research object through a scientific approach to identify normative truth. The author uses deductive analysis in analyzing the legal materials in this paper, starting from a general understanding of the problem and moving towards specific matters relevant to achieving the objectives of legal writing. The legal writing process involves several stages: identifying legal facts and excluding irrelevant matters, collecting related legal and non-legal materials, assessing the legal problem based on the collected information, compiling a final result based on arguments that address the legal problem, and presenting a conclusion based on the arguments developed throughout the discussion.<sup>10</sup>

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<sup>7</sup> Dodo Khan, et.al, "Cryptocurrency Crimes: A Systematic Literature Review of Bitcoin's Role in Illicit Activities" *Pakistan Journal of Engineering Technology and Science* 12, No. 1, (2024): 12-13. <https://doi.org/10.22555/pjets.v12i1.1121>

<sup>8</sup> Firmansyah Hermansyah, et.al, "Cryptographic Technology and Anti-Money Laundering Policies Against the Sale of Drugs Using Bitcoin Transactions" *GJLSS* 2, No. 4, (2024): 351. <https://doi.org/10.38035/gjllss.v2i4.32>

<sup>9</sup> Soerjono Soekanto dan Sri Mamudji, *Penelitian Hukum Normatif: Suatu Tinjauan Singkat* (Jakarta: Rajawali Pers, 2004), h. 13-14.

<sup>10</sup> Peter Mahmud Marzuki, *Penelitian Hukum, Edisi Revisi*, Cetakan ke-15 (Jakarta: Kencana, 2021), h. 213.

## Results and Discussion

### Legal Basis for Criminalizing Narcotics Transaction Perpetrators Using Bitcoin

Bitcoin is a form of digital asset that operates in a decentralized system through blockchain technology. In the context of Indonesian law, Bank Indonesia does not recognize Bitcoin as legal tender. This is confirmed by Bank Indonesia Regulations No. 23/6/PBI/2021 and No. 23/7/PBI/2021, which stipulate that the Rupiah is the only legal tender within the territory of the Unitary State of the Republic of Indonesia.<sup>11</sup> However, the Commodity Futures Trading Regulatory Agency (Bappebti), through Regulation No. 13 of 2022, recognizes Bitcoin as a digital commodity that can be legally traded on the physical crypto asset market. The differing approaches between Bank Indonesia and Bappebti towards Bitcoin have created regulatory disharmony, resulting in legal uncertainty. On the one hand, the government permits the trading of Bitcoin as a digital asset; on the other, its use as a medium of exchange is prohibited. This discrepancy contradicts the principle of legality in criminal law, which demands clarity, consistency, and certainty of legal norms.<sup>12</sup> Without explicit criminal laws, law enforcement officials face difficulties in prosecuting Bitcoin abusers involved in criminal activities, including drug trafficking.<sup>13</sup>

The use of Bitcoin in drug transactions raises complex legal issues. Technically, Bitcoin enables the direct exchange of value between individuals without going through formal financial institutions. The pseudonymous nature of the blockchain system makes it difficult to directly identify perpetrators. This advantage is often exploited by criminals, including in drug transactions, as it facilitates identity disguise and financial tracking, which is difficult for law enforcement.<sup>14</sup>

Transactions using Bitcoin are permissible as long as they comply with the principle of freedom of contract and do not violate public order. However, in the case of narcotics transactions, such agreements violate criminal law. Therefore, such transactions are considered null and void as stipulated in Articles 1335 and 1320 of the Civil Code. Agreements with an object contrary to law are not legally binding and therefore cannot be used as a basis for legal protection. Law Number 35 of 2009 concerning Narcotics expressly prohibits all forms of unauthorized narcotics transactions. Articles 114, 111, and 112 stipulate severe criminal sanctions for any individual who, without authority or unlawfully, offers to sell, buy, act as an intermediary for, or deliver narcotics. The penalties under these articles include long-term imprisonment, large fines, and even the death penalty in certain cases. In this context, Bitcoin can be viewed as a means or aid in the commission of a crime, thus not eliminating the primary criminal elements inherent in narcotics transactions.<sup>15</sup>

Indonesian positive criminal law provides the basis for law enforcement to seize and confiscate all forms of tools or proceeds of crime, including digital assets such as Bitcoin. Articles

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<sup>11</sup> Elli Ruslina, "Legal Review of the Use of Crypto Currency as a Means of Payment in Indonesia" *Jurnal Info Sains* 13, No. 3, (2023): 1132.

<sup>12</sup> Adami Chazawi, *Stelsel Pidana, Tindak Pidana, Teori-teori Pemidanaan dan Batas Berlakunya Hukum Pidana* (Jakarta: Raja Grafindo Persada, 2005), h. 25.

<sup>13</sup> Untung Widyatmoko, et.al, "Law Enforcement against Cryptocurrency Abuse" *Journal of Social Research* 3, No. 2, (2024): 348.

<sup>14</sup> Abdurrahkman Alhakim & Tantimin, "The Legal Status of Cryptocurrency and Its Implications for Money Laundering in Indonesia" *PJIH* 11, No. 2, (2024): 222-223. DOI: <https://doi.org/10.22304/pjih.v11n2.a4>.

<sup>15</sup> Ricardo Siahaan, et.al, "Legal Responsibility for the Role of Online Transportation Courier Services in Drug Trafficking" *Policy, Law, Notary and Regulatory Issues* 2, No. 1, (2023):54. <https://doi.org/10.55047/polri.v2i1.530>

75 and 136 of the Narcotics Law authorize authorities to conduct searches, seizures, blocking, and confiscation of assets related to narcotics crimes.<sup>16</sup> Bitcoin transaction data can also be used as electronic evidence, as regulated by criminal procedure law. Judges must comprehensively consider various aspects when imposing sentences. In cases where legal certainty and justice conflict, judges must prioritize the principle of justice. Therefore, in cases involving narcotics transactions with Bitcoin, judges must consider the perpetrator's motives, the degree of culpability, and the social impact of the crime. The use of digital technology in narcotics crimes can be a basis for increased sentences if proven to increase the complexity and risk to society.

Based on this explanation, the use of Bitcoin in drug transactions does not alter the criminal substance of the crime committed. Bitcoin merely serves as a supporting instrument in the commission of the crime. The primary focus of law enforcement remains on eradicating the illicit trafficking of narcotics. Although Bitcoin is not recognized as legal tender, transaction data and Bitcoin ownership can still be used as evidence in legal proceedings. Therefore, regulatory harmonization, the establishment of explicit criminal norms, and strengthened cooperation between countries are needed to address legal challenges in the era of cross-border digital crime.

### **Characteristics of Criminalization for Narcotics Transaction Perpetrators Using Bitcoin**

The sentencing of narcotics offenders who use Bitcoin reflects a new dynamic in the Indonesian criminal justice system, particularly in addressing modern forms of digital technology-based crime. These acts not only combine elements of narcotics crimes, which are classified as extraordinary crimes, but also involve technology that is anonymous, cross-jurisdictional, and difficult to trace conventionally. In the Indonesian legal system, narcotics crimes are regulated by Law Number 35 of 2009 concerning Narcotics. This provision is specific (*lex specialis*) and remains the basis for sentencing, even though the media or means of transaction used, such as Bitcoin, are not explicitly regulated in criminal law.<sup>17</sup> Thus, the use of Bitcoin is positioned not as a core element of the crime, but rather as a means or *modus operandi* used in the commission of drug crimes.

Based on the principle of legality (*nullum crimen sine lege, nulla poena sine lege*),<sup>18</sup> It is not possible to criminalize the use of Bitcoin alone unless accompanied by other unlawful acts. However, if Bitcoin is used as a tool in drug trafficking, the perpetrator can still be punished under the provisions of the Narcotics Law. In this context, the existence of Bitcoin is only considered as part of the legal facts that strengthen the evidence, not as the basis for establishing a new crime. In judicial practice, judges still impose the primary criminal sanction of imprisonment and/or a fine according to the level of involvement of the perpetrator. The penalties imposed are not fundamentally different from conventional narcotics crimes. The use of Bitcoin is not used as a reason for aggravating or mitigating the sentence. Factors considered by judges continue to include the gravity of the evidence, the perpetrator's role, malicious intent, and cooperation during the trial process.

This punishment also reflects the application of theories of punishment, such as the retributive theory which emphasizes retribution for crime, the utilitarian theory which

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<sup>16</sup> Asep Iswahyudi Rachman & Sri Kusriyah, "Law Enforcement of Narcotics Laws" *LDJ* 2, No. 2 (2020): 143.

<sup>17</sup> Tofik Yanuar Chandra, *Hukum Pidana* (Jakarta: PT. Sangir Multi Usaha, 2022), h. 28.

<sup>18</sup> Adami Chazawi, *Stelsel Pidana, Tindak Pidana, Teori-teori Pemidanaan dan Batas Berlakunya Hukum Pidana* (Jakarta: Raja Grafindo Persada, 2005), h. 25.



emphasizes prevention, the combined theory which combines the two, and the rehabilitative theory which is used for drug users.<sup>19</sup> The application of this theory is tailored to the role of each perpetrator, as demonstrated in various cases that have been decided by the courts. However, there is a legal gap in the aspect of additional penalties, particularly regarding the confiscation of digital assets obtained from narcotics crimes. To date, there is no comprehensive regulation governing the confiscation and execution of crypto assets such as Bitcoin. This makes it difficult for law enforcement to ensure the recovery of state or public losses and to provide a maximum deterrent effect on perpetrators.

The criminalization of narcotics offenders who use Bitcoin requires legal policy reforms that are adaptive and responsive to technological developments. Law enforcement must remain grounded in fundamental criminal law principles, such as legality, proportionality, and the principle of individualization of punishment. However, it must also provide room for strengthening digital asset regulations to ensure comprehensive criminalization effectiveness.<sup>20</sup>

### **The Concept of Criminalizing Narcotics Transactors Using Bitcoin in the Future**

The use of Bitcoin in drug transactions presents a new challenge to the criminal justice system, particularly in law enforcement and sentencing. Bitcoin, as a form of crypto asset, is decentralized, anonymous, and does not operate through formal financial institutions. These characteristics make it a difficult-to-trace means of payment, making it frequently used in illegal activities, including drug trafficking.<sup>21</sup> Regulation of Bitcoin in Indonesia remains limited and focuses primarily on digital commodity trading. Based on Bappebti Regulation Number 13 of 2022, Bitcoin can only be traded on physical crypto asset markets. However, Bank Indonesia Regulation Number 23/6/PBI/2021 does not recognize Bitcoin as legal tender. Therefore, the use of Bitcoin in drug transactions has not been specifically regulated as a separate crime, leading law enforcement officials to rely on the general provisions of Law Number 35 of 2009 concerning Narcotics and Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering.<sup>22</sup>

The United States has adopted a more comprehensive and adaptive approach. Several federal agencies, such as the Financial Crimes Enforcement Network (FinCEN), the Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission (CFTC), and the Internal Revenue Service (IRS), have their respective authorities in regulating and overseeing crypto assets.<sup>23</sup> Furthermore, the sentencing approach in the United States is carried out through the federal sentencing system (United States Sentencing Guidelines), which establishes sentence ranges based on the severity of the crime, the quantity and type of narcotics, and the perpetrator's role in the criminal network. In the context of narcotics crimes involving Bitcoin, the United States legal system also recognizes that the use of sophisticated technology

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<sup>19</sup> Dwidja Priyanto, *Sistem Pelaksanaan Pidana Penjara di Indonesia* (Bandung: PT. Rafika Aditama, 2009), h. 22.

<sup>20</sup> Pambudi & Zudan Arief Fakrulloh, "Criminal Liability of Perpetrators in Crypto Ecosystem, the Regulatory Challenges, and Legal Voids in the Criminal Law System in Indonesia" *Majelis* 2, No. 3 (2025): 105-125. <https://doi.org/10.62383/majelis.v2i3.1042>.

<sup>21</sup> Dewi, et.al, "Dark Web in Narcotics Crime: A Critical Study of Central Jakarta District Court Decision No. 12/Pid.Sus/2023" *De Lega Lata* 10, No. 2, (2025): 205. DOI: 10.30596/dll.v10i2.24979.

<sup>22</sup> Bacelius Ruru, et.al, "The Impact of Crypto-Asset Utilisation as Payment Instrument Toward the Rupiah as Legal Tender in Indonesia" *Journal of Central Banking Law Institutions* 1, No. 1, (2022): 152-153. DOI: 10.21098/jcli.v1i1.6.

<sup>23</sup> Ibrahim Nubika, *Bitcoin Mengenal Cara Baru Berinvestasi Generasi Milenial* (Yogyakarta: Genesis Learning, 2018), h. 151-154.

to disguise identity and the flow of funds is an aggravating factor in sentencing. The case of Ross Ulbricht in the Silk Road case illustrates how involvement in the management of a Bitcoin-based narcotics trading platform can be punished with a life sentence due to the high mens rea and significant social impact.<sup>24</sup>

Criminal justice practices in Indonesia still face various obstacles in prosecuting perpetrators of drug transactions using Bitcoin, including limited digital forensic technology, a lack of explicit regulations, and the absence of adequate legal mechanisms for the seizure, freezing, or confiscation of digital assets.<sup>25</sup> Therefore, the ideal concept for future criminal justice systems needs to be formulated comprehensively, taking into account developments in information technology and digital transactions. First, regulations must be updated to provide legal certainty regarding the use of crypto assets in drug crimes. Second, cross-institutional collaboration, such as between CoFTRA (Commodity Futures Trading Regulatory Agency), the Financial Services Authority (OJK), Bank Indonesia, and the Police and Prosecutors' Office, needs to be strengthened to integrate monitoring and legal enforcement systems for suspicious transactions.<sup>26</sup> Third, the criminal justice system needs to be adjusted by adding provisions regarding aggravating factors for perpetrators who use digital technology to disguise crimes. Furthermore, the criminal justice approach must be proportional and balance community protection with the rehabilitation of perpetrators. The use of Bitcoin in drug crimes demonstrates a high degree of planning and deliberate intent, thus legally justifying heavier penalties. Furthermore, the confiscation of digital assets as proceeds of crime must also be explicitly regulated so that the state can seize the illegal profits derived from these crimes.

Considering the complexity of technology-based crimes, Indonesia's criminal justice system must be progressively developed. The implementation of blockchain forensics technology, the integration of suspicious transaction reporting systems, and updates to substantive and formal criminal law are crucial steps in addressing the challenges of narcotics crimes involving Bitcoin. These efforts aim not only to impose sanctions on perpetrators but also to protect social and economic stability from the negative impacts of narcotics distribution through digital transactions.

## **Conclusion**

Based on the results of the discussion above, the following conclusions can be drawn:

Sentencing of narcotics offenders who use Bitcoin remains based on Law Number 35 of 2009 concerning Narcotics, which primarily focuses on unlawful acts related to narcotics itself. The use of Bitcoin does not constitute a core element of the crime, but rather serves only as a means or modus operandi. Bitcoin's characteristics as an anonymous and transnational digital asset add complexity to case handling, but do not alter the substance of the crime. In the context of sentencing, the principle of individualization of criminal law allows judges to assess Bitcoin use as an indicator of the level of deliberateness or malicious intent of the perpetrator, although this is not necessarily an aggravating factor.

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<sup>24</sup> Reza Raeesi, "The Silk Road, Bitcoins and the Global Prohibition Regime on the International Trade in Illicit Drugs: Can this Storm Be Weathered?" *Glendon Journal of International Studies*. 2-3

<sup>25</sup> David Hardiyo, et.al, "Law and Digitalization: Cryptocurrency as Challenges Towards Indonesia's Criminal Law" *Indonesian Journal of Criminal Law Studies* 10, No. 1 (2025): 302-303.

<sup>26</sup> Digna Permata, et.al, "Strategic Intelligence Analysis of the Threat of Weapons of Mass Destruction Proliferation: Potential Vulnerability of Indonesia's National Security" *International Journal of Science and Society* 5, No. 2, (2023): 397.

Therefore, the ideal sentencing concept must be comprehensive and adaptive, encompassing primary and additional sanctions such as confiscation, freezing, and seizure of crypto assets. The technological complexity of narcotics crimes demands a criminalization approach that is not only repressive, but also preventive and restorative. Regulatory updates that explicitly regulate the use of crypto assets in criminal acts, as well as sentencing guidelines that accommodate technological developments, are needed. Collaboration between law enforcement agencies, strengthening the Know Your Customer (KYC) system, and utilizing blockchain-based forensic technology are key strategies to increase the effectiveness of criminal prosecution in the digital era.

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## **Legislation**

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