Influence Of Virtual Money On The Rupiah Currency

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Abstract. The purpose of this study examines this is to find out how much the influence of virtual money on the rupiah currency. This research was conducted with a descriptive analysis method. The author takes this topic because he feels that virtual currencies can be a way out of the economic crisis that is affecting us now. Based on this study, the authors assume that by using virtual money we can increase the productivity of companies in Indonesia. This is because when we get virtual money we can exchange it for dollars so that when we exchange it for rupiah, besides helping to reduce the dollar exchange rate to the rupiah, it can also be used as capital to increase product performance. The results of this research show that virtual currencies are one way out of the current economic crisis that our country is suffering from. So this virtual money is expected to help improve the national economy, employment, community income, and social welfare.

1. Introduction
Currency is the heart of a country's economy. In this world, without currencies all transactions will not work. With the development of technology and information, using the internet can be done online. With this development, the world began to recognize the virtual world. Today's society likes to be involved in the virtual world. Virtual currencies are currencies that cannot be issued (printed) and regulated by the maker. Because with the virtual world, all the obstacles we face in the real world can be ignored. Virtualism is also used in currencies. This is done because of the difference in exchange rates of each currency between the world. Even though the dollar has been approved by the world to be used as a currency for international transactions, there are still many countries whose exchange rates are very low against the dollar, causing inflation. The influence of inflation on the world economy has a huge influence. This is because inflation determines the price of materials needed by the people in their daily lives. In Indonesia alone, inflation is something that the government must really pay attention to. Because, Indonesia is a country that is still developing, so that the economic level is not yet very stable. If inflation occurs then many Indonesians feel the impact of not being able to meet their daily needs [1].

Virtual currencies are already widely used in developed countries such as Singapore. This is done because it is considered more practical than having to carry money in their wallet. The famous and widely used virtual currency in the world is bitcoin. Many sites on the internet are the place for bitcoin transactions. Bitcoin is a digital currency whose payment system is peer-to-peer[1], a system that does not have intermediaries such as banks or government. works by cryphography or special algorithms that manufacture and control bitcoin can not be done just anyone[2]. Bitcoin circulation has been regulated by the creator, Satoshi Nakamoto. The whole world that starts using bitcoin has also made rules about its circulation[3].In Indonesia, virtual currencies have not been given permission, due to incompatibility with the law no. 7 of 2011 concerning Currency[4] and Law no. 23 of 1999 concerning Bank Indonesia[5]and many cases of fraud in online transactions. However, the bitcoin site itself has given the exchange rate of one bitcoin for more than one hundred million rupiah. But in some areas such as Bali, bitcoin has begun to be used. This was done to facilitate foreign tourists vacationing in Indonesia spring in their daily consumption in Indonesia. With the use of bitcoin, it is considered very helpful for foreign tourists. Because according to them if every run out of rupiah must change to money changer
requires extra time and cost which of course is considered less effective and efficient. With analysis descriptive method, author assumes that by using written methods, can improve the economic welfare of the community. This study focuses on the use of bitcoin for the society.

This study aims to find the recommended bitcoin in order to help overcome the rupiah crisis in Indonesia. This research was conducted with a descriptive analysis method. The author takes this topic because he feels that virtual currencies can be a way out of the economic crisis that is affecting us now.

2. Method
The method used in this study were descriptive analysis, comparative analysis, and literature analysis. Descriptive analysis is a method of describing situations that occur today or in the past without changing the independent variables. Whereas comparative analysis is a method of identifying the effect of one variable on another variable then looking for possible causes. Literature analysis is a method of understanding research literature and expressing the opinions of authors. The variable analyzed is the relationship between bitcoin and dollars and rupiah. So the author compares the exchange rate between the dollar and rupiah, and bitcoin against the rupiah.

3. Results and Discussion
In the law Currency noted that in Indonesia, which is considered as the currency is something that is issued by Bank Indonesia as a central bank. Meanwhile, according to the law concerning Bank Indonesia, the legal money circulating in Indonesia is rupiah[6]. Based on this, we know that the currency prevailing in Indonesia is only rupiah, while other currencies before use must be exchanged in advance with the rupiah. Including the US dollar, before using it must be exchanged first with the rupiah.

Currently, the exchange rate against the dollar is experiencing a significant increase to reach US $ 1 = Rp. 15.253.00. This originated from the crisis in Turkey. Then Indonesia was fined by the US for our defeat at the WTO appeal session regarding the EU biodiesel import duty which they later violated. Then, Indonesia began to experience an economic crisis or decrease the exchange rate against the dollar. The reason why bitcoin does not get permission to use in Indonesia is because Indonesia only uses the rupiah as a payment system in their daily transactions domestically. The payment system was originally intended to promote national economy and increase economic activity so that it could improve competitiveness and attract foreign investors into Indonesia. In the payment system, the necessary equipment as a means of payment agreed to make a payment. It can be a means of payment in cash and non-cash. The payment instrument agreed upon in Indonesia is the rupiah, as explained in the law concerning Bank Indonesia[7]. Bitcoin itself is also banned because the classification is unclear[8]. People assume that bitcoin itself is a currency while the exchange rate to real currency does not have clarity. However, beyond this, Indonesia itself has a website to transact bitcoin is https://indodax.com/. Here are the types of virtual currencies with the largest market capitalization in the world (see Figure.1).
Figure 1. Types of virtual currencies with the largest market capitalization in the world

By looking at the graph, we find out if bitcoin the first rank with the virtual currency as the world’s largest market capitalization. This shows that people around the world are using bitcoin as their financial alternative. The author assumes that if we use bitcoin now, our crisis against the rupiah can be resolved. Because if we exchange bitcoin against the dollar and return it to the rupiah, the dollar held by Bank Indonesia will be implicit so it is expected to reduce the current exchange rate. The author notes based on data seen from Bank Indonesia, that the dollar exchange rate against the rupiah has climbed back to the number $1 = Rp. 15,076.00 (see Figure 2).

Figure 2. Middle exchange rate USD – IDR

This can cause panic to the people, especially those who are high-class entrepreneurs. Because in their operational transactions every day they use dollars that result in their operating costs. If the operating expenses increase while the selling price does not increase, it will have an impact on losses. But if the selling price is raised, it can result in the loss of consumers. This also triggers losses in the company. If this continues, it is feared that the country’s economy can fade even suffer losses. When a country’s economy loses, the country will be destroyed. If we start using bitcoin as an alternative, then we can add to our finances with a high amount of $1 BTC = Rp. 54,450,000.00. Taken from https://indodax.com/ the bitcoin exchange rate to the rupiah is equal to (see Figure 3).
Website creators that collect bitcoin users state that the website has been supervised by the Indonesian Financial Authority namely Badan Pemeriksa Keuangan and Komisi Pemberantasan Korupsi. This statement is very contrary to what the finance minister said, and also violated the law number 7 of 2011 concerning Currency and law number 23 of 1999 concerning Bank Indonesia which did not recognize and prohibit currencies other than the rupiah used in Indonesia. The supervision is intended to monitor the use of bitcoin users in Indonesia in the use of bitcoin. In addition, the website itself must also enter a telephone number that has been activated so that it can be tracked. The telephone number will also be sent a PIN so that not everyone can access our account on the website. This is done to minimize the possibility of misuse of money or someone's account. The following is the display of the main page of the Indodax website which is a collector of bitcoin users (see Figure 4).

Figure 3. Exchange rate bitcoin to rupiah. Figure was adopted from www.idodax.com on Oct 13th, 2018

Figure 4. Main Page. Figure was adopted from www.idodax.com on Oct 13th, 2018
In this view there is information on the bitcoin exchange rate to the rupiah, account register menu, login menu, help menu, and language menu. Account registration menu is a feature for us to register an account if you do not have account access on this website. While the login menu is a feature to enter the website when we already have an account. The help menu is a guide to access this website for those who do not know how. While the flag icon is the language we will use on the website. After we enter the website, we can see a display like this (see Figure 5).

![Figure 5](image-url). Homepage of Indodax marketplace. Figure was adopted from [www.idodax.com](http://www.idodax.com) on Oct 13th, 2018

Here we need to enter a PIN sent to the telephone number so that other people cannot access our account. Next we enter the instant buy / sell bitcoin menu. This feature is used if we are going to sell or buy bitcoin. Of course in the sale of bitcoin we must have a bitcoin balance in our account. Conversely, if we want to buy bitcoin, then we must have a rupiah balance in our account. Furthermore, this transaction is done with a peer-to-peer system so that the bitcoin or rupiah balance that we issue or receive will go directly to the buyer or seller who transacts with us. When a sales transaction has been made, withdrawals can be made. In this case, the author thinks that bitcoin sold can improve the economy of the community. If we use the sales proceeds to increase business capital or be used as business capital, it can have an impact on improving the national economy, it can also have an impact on foreign investors' investments if the company we run has significant progress. The government also had the advantage in the form of taxes received from employers and enterprises, import duties and export duties on the export and import of raw materials or sales, the increase in dollar deposits in exchange for domestic entrepreneurs on the investment made by foreign parties. In addition, the effect on society of middle level, they will feel the benefit in the form of jobs that are not hard to find for many who start new businesses. Poverty can be overcome because the jobs evenly along their extra income on the sale earlier bitcoin [9]. The author himself thinks if bitcoin could be subject to income tax [10]. Because money taken from the sale of bitcoin is still included in income [11]. M Kubát - Procedia said in his research that the effect of virtual money had no effect on the exchange rate of the rupiah [12].

So with the tax withdrawal, the government can further stabilize the exchange rate of bitcoin against the rupiah, it can also increase state revenues that can be allocated to the facilities and infrastructure needs in running the government.
4. Conclusion
Bitcoin itself has been used little by little in several regions in Indonesia. The website of bitcoin also monitored by the Financial Authority Agency to minimize the misuse of bitcoin. By selling bitcoin, new businesses can be opened and increase the company's capital operations. Because of that, the company's operational national economy, employment, community income and investment from foreign can also be lifted, so the level of community welfare increased. The government can also get revenue from the tax that paid by communities and companies that increase dollars held by from exchanging dollars to rupiah.

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