

## **ABSTRACT**

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### **COMPARATIVE STUDY ON THE LEGALITY OF CRYPTOCURRENCY AS LEGAL TENDER IN INDONESIA AND EL SALVADOR**

References: 55 (1984-2021)

(x+113 Pages)

*The objective of this paper is to compare the difference of cryptocurrency regulations between Indonesia and El Salvador as the first and only country to legalize Bitcoin as legal tender in El Salvador's Bitcoin Law. The background reasoning behind the interest in this topic is the rapid growth of cryptocurrency across the world especially in the financial industry by establishing itself as a decentralized digital currency. Although cryptocurrency is known as a digital currency, most countries including Indonesia still implement it as a digital asset, with the exception of El Salvador. This raises the questions for this research: 1) How is the legality of cryptocurrency as a legal tender in Indonesia? 2) How is the comparison between the cryptocurrency regulations as legal tender in Indonesia and El Salvador? This paper uses normative legal research method, followed by a statute approach, a comparative approach, and a conceptual approach to result in a qualitative and deductive analysis. This paper will become a contribution to academic literature based on an analysis that 1) Indonesia's government has denied the possibility of cryptocurrency being used as a payment instrument because it goes against UU No. 7 Tahun 2011 tentang Mata Uang, PBI No. 18/40/PBI/2016, PBI No. 19/12/PBI/2017, PBI No. 20/6/PBI/2018, as well as various press releases with Bank Indonesia and OJK which states that the only currency that is recognized as payment in Indonesia is Rupiah. 2) The cryptocurrency related regulations in Indonesia and El Salvador has many differences, from each country's currency regulations, bank authorities, digital asset regulations, regulation authorities, to the number of cryptocurrency users. There are also pros and cons as other countries and institutions analyze the effects of cryptocurrency as legal tender.*

*Keywords: Cryptocurrency, Indonesia, El Salvador, legal tender, digital asset, regulations*