



News Title : Bappebti wants crypto taxes slashed as market heats up	
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Bappebti wants crypto taxes slashed as market heats up

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The Commodity Futures Trading Regulatory Agency (Bappebti) has proposed slashing the tax burden imposed on crypto traders in the country with the goal of attracting more investors to the Indonesian crypto market.

“Indeed, it’s necessary to conduct a reevaluation and reconsideration of the tax imposition. The hope is that crypto investors will be subject to just half of the total taxes [currently] imposed,” Tirta Karma Senjaya, head of commodity futures trading development and supervision at Bappebti, said on Saturday, as reported by *CNN Indonesia*.

According to Tirta, changes were needed to maintain the growth of the domestic crypto asset market, which has expanded over the last couple of years. Government data show that the country had 18.26 million crypto asset investors as of November 2023.

Tirta suggested that all stakeholders, including Bappebti, the Financial Services Authority (OJK), the Finance Ministry’s Taxation Directorate General as well as industry players and associations, be involved in the planning of crypto asset taxation.

The Bappebti official revealed that crypto transactions accounted for more than 50 percent of the fintech industry’s income and yielded Rp 259 billion (US\$16.46 million) in tax revenue for the state budget.

The taxes, he said, needed the

adjustment to prevent industry players from trading in foreign markets instead. Tirta warned that if not, it “could affect the competitiveness of crypto exchanges in the country”, as quoted by news agency Antara.

CEO of crypto trading platform Indodax, Oscar Darmawan, explained that several taxes were levied on crypto transactions, including 0.10 percent income tax, 0.11 percent value added tax (VAT) and an additional 0.02 percent on exchange, deposit and clearing fees.

“Furthermore, if the transaction involves the use of stablecoins like [Tether’s] USDT, there will be a tax multiplier. The imposition of various taxes increases the amount payable by investors, making it more expensive and potentially diminishing the crypto industry in the country,” he said.

To improve the competitiveness of the domestic crypto market, Oscar suggested doing away with the VAT and subjecting crypto assets only to income tax.

“Because, in the future, the crypto industry [oversight] will be moved from Bappebti to the OJK, meaning that crypto will be part of the financial industry. Therefore, it seems that it’s not really suitable for VAT to be imposed [on the crypto industry], and we hope the tax can be reduced to 0.1 percent,” Oscar said.

Bitcoin has been on a tear lately and surpassed \$64,000 on Monday. It is up more than 50 percent so far this year and not far off its record high of \$69,000.