MOTIVES OF CYPTOCURRENCY TAX AVOIDANCE

Amedea Cristabel Limantoro*
Alfa Rahmiati
Universitas Airlangga, Jl. Airlangga No. 4 – 6, Surabaya, Indonesia
**dea1705@gmail.com*

A R T I C L E I N F O

Article history:
Received February 28, 2023
Revised June 12, 2023
Accepted July 29, 2023

Key words:
Tax Non-Compliance Attitudes; Tax Policy; Tax Non-Compliance Intentions; Tax Non-Compliance Behavior; Cryptocurrency

DOI:
https://doi.org/ 10.33508/jako.v15i3.4544

A B S T R A C T

Research Purposes. *This study aim to find out the motives of cryptocurrency investors to carry out tax non-compliance behavior, people who influence, and obstacles that may reduce the desire to carry out tax violations.*
Research Methods. *The research was conducted with an exploratory approach.*
Research Results and Findings. *The results of the research are the motives owned by cryptocurrency investors in carrying out tax non-compliance behavior are saving personal finances, dissatisfaction with the taxation system, distrust of tax handlers, burdensome tax rates, and newest policies which contrary to the principle of decentralization. People who influence cryptocurrency investors in committing tax non-compliance are friends, cryptocurrency communities, family, and colleagues. Things that can hinder cryptocurrency investors from carrying out tax non-compliance are the lack of loopholes, tax avoidance schemes which difficult to implement, the potential of inspected by the tax authorities, the potential of sanctions, and the potential of reported by third parties (the exchangers).*

A B S T R A K

Tujuan Penelitian. *Tujuan penelitian ini adalah untuk mengetahui motif investor aset kripto untuk melaksanakan per-ilaku ketidakpatuhan pajak, pihak yang dapat mempengaruhi, serta hambatan yang dapat menurunkan keinginan untuk melaksanakan pelanggaran pajak.*
Metode Penelitian. *Penelitian dilakukan dengan pendekatan eksploratoris.*
Hasil Penelitian dan Temuan Penelitian. *Hasil penelitian diperoleh yaitu motif-motif yang dimiliki oleh investor aset kripto dalam melakukan perilaku ketidakpatuhan pajak adalah penghematan keuangan pribadi, ketidakpuasan akan sistem perpajakan, ketidakpercayaan pada pengelola pajak, tarif pajak yang memberatkan, dan kebijakan terbaru bertentangan dengan prinsip desentralisasi. Pihak-pihak yang dapat mempengaruhi investor aset kripto dalam melakukan ketidakpatuhan pajak adalah teman, investor aset kripto, keluarga, dan rekan kerja. Hal-hal yang dapat menghambat investor aset kripto dalam melaksanakan penghindaran pajak yaitu minimnya celah penghindaran pajak, skema penghindaran pajak sulit untuk direalisasi, potensi adanya pemeriksaan oleh fiskus, potensi terkena sanksi, dan potensi dilaporkan oleh pihak ketiga (exchanger).*

INTRODUCTION

The rapid development of information technology has made it possible for transactions to break through distance and time with globalization and the presence of the Internet. Currently, payment for online transactions is no longer only using currency but alternative payments, namely virtual money, which can be referred to as cryptocurrencies such as Bitcoin. In various countries, cryptocurrency has become a legal medium of exchange because it fulfills the provisions as a medium of exchange, which has unique properties, is not easily damaged, and is mutually agreed upon (Bohme et al., 2015).

Cryptocurrency as a means of exchange is included in the category of digital assets, which do not have physical existence value but have digital value. Based on a statement by Bank Indonesia in 2014, cryptocurrency is not a legal exchange instrument in Indonesia, as stated in Bank Indonesia Press Conference number 16/6/Dkom of 2014. This matter is emphasized in the elucidation of Article 3, paragraph (1) letter a Regulation of Bank Indonesia (PBI) number 19/12/PBI/2017 that virtual currency is not legal in Indonesia. Although not recognized as a medium of exchange, through the 2020 The

Commodity Futures Trading Regulatory Agency Study (CoFTRA), cryptocurrency has been recognized as digital commodities where cryptocurrencies originating from the blockchain system are categorized as commodities in law number 3 of 1997 concerning Commodity Exchange Trading. In the Minister of Trade Regulation number 99 of 2018, cryptocurrency has been determined as commodities that can be used as Futures Contract Subjects traded on the Futures Exchange.

In 2019, there were around 200,000 cryptocurrency users in Indonesia, with a total transaction of IDR 4,000,000,000.00 every day, with a relatively high trend of increasing (Saputra & Silalahi, 2022). Ludwiyanto (2022) reported in Tokocrypto News that the cryptocurrency industry in 2021 has soared to produce trading transactions worth IDR 2,350,000,000,000.00 daily. The increase in cryptocurrency users increased from 11,200,000 investors to 12,400,000 cryptocurrency investors in early 2022. This shows that cryptocurrency ownership as a commodity is quite attractive in Indonesia, one of which is for investment goals.

The investment is an activity carried out to get a return on the funds invested. There are various forms of investment, from ownership of tangible assets such as land and gold, securities such as deposits, stocks, debentures, and derivative assets to foreign currencies. The emergence of cryptocurrency has also become an investment vehicle for investors (Putri et al., 2021; Zain, 2018). Cryptocurrency is interesting because it provides a more highly profitable return on investment than other investment assets. In addition, another consideration is that the cryptocurrency transaction system has a decentralized authority, which means the absence of interference from third parties. The use of blockchain technology causes every transaction to be visible to everyone who is a member of the network. However, access to information is minimal due to anonymity, so who owns the cryptocurrency cannot be known (Nakamoto, 2008).

Several previous studies regarding cryptocurrency taxation in Indonesia (Saputra & Silalahi, 2022; Putri et al., 2021) produced narratives regarding the importance of cryptocurrency regulation in Indonesia. Research by Saputra & Silalahi (2022); Houben & Snyers (2018) found that cryptocurrencies can pose serious risks, such as price volatility, speculative trading, money laundering, and tax evasion. Given these risks, regulations that can control the potential for manipulation in the utilization of cryptocurrency are highly urgent by utilizing the decentralized and anonymous cryptocurrency system. Moreover, the vacuum or unclear regulations regarding cryptocurrency ownership can lead to potential tax avoidance, which allows tax evasion to become legal because no policies regulate it.

As long as there is no clear tax policy regarding cryptocurrency taxation, this instrument is often the most common investment instrument chosen by tax evaders because the government cannot detect it, so it is classified as an easy scheme to secure their assets. Therefore, tax policy and legal certainty regarding the taxation of crypto-currency is an important aspect in the world of taxation. In addition, the taxation potential of cryptocurrency ownership can benefit state revenue (Ilham et al., 2019).

On May 1, 2022, the implementation of cryptocurrency taxation began, where the application of cryptocurrency and its tax provisions were based on law number 7 of 2021 concerning the Harmonization of Tax Regulations, with regulations implementers through Regulation of the Minister of Finance Number 68/PMK.03/2022 (PMK 68/2022) concerning Value Added Tax and Income Tax on Cryptocurrency Trading Transactions. PMK 68/2022 briefly regulates three things, namely buying and selling cryptocurrency, transaction facilitation services (exchanger), and transaction verification services (mining). Due to the enactment of tax regulations on cryptocurrency, it is regrettable that studies on cryptocurrency in Indonesia in terms of taxation still need to be bigger despite the increase in popularity of crypto-currency. In this study, the type of cryptocurrency trading discussed is the buying and selling of cryptocurrency carried out by individual end users who act as investors or owners of cryptocurrency.

Regarding the presence of the taxation policy on cryptocurrency, various responses emerged from cryptocurrency investors. Some respond positively and support the taxation policy of cryptocurrency. However, some respond negatively and do not support the existence of a taxation policy on these cryptocurrencies. Cryptocurrency investors who support the taxation policy of cryptocurrency positively respond because of the need for legal certainty to provide a sense of security for cryptocurrency investors in transacting, storing, and obtaining income from cryptocurrency instruments, especially if the amount of funds invested is large. The rate given is also considered fair and not burdensome. Cryptocurrency tax is final, so it cannot be calculated as a tax credit for the party being deducted or collected. Compared to before this policy was issued, cryptocurrencies are subject to Article 17 Income Tax calculations, which can cause an increase in the Income

Tax of cryptocurrency investors.

A negative response to cryptocurrency taxation emerged because the policy was considered unable to close the loophole for tax evasion through cryptocurrency instruments due to cryptocurrency's decentralized and anonymous nature. By appointing an exchanger as a tax collector as a third party and already registered with Commodity Futures Trading Monitoring Agency (Bappebti), the exchanger user is required to register a Taxpayer Identification Number (TIN) so that privacy and anonymity, which are one of the advantages of owning cryptocurrency are threatened. Dissatisfaction with this policy can make cryptocurrency investors who want to avoid taxes by utilizing the anonymity function of cryptocurrency prefer to invest in cryptocurrency through foreign exchangers that cannot be verified by the government, especially in tax haven countries that do not tax cryptocurrency. Loopholes in the policy can be exploited by cryptocurrency investors to commit tax evasion, especially by cryptocurrency investors who have committed tax evasion or evasion by deliberately securing their assets and committing money laundering in cryptocurrency for years before a taxation policy on this cryptocurrency exists. The pros and cons of this tax policy are related to the ease and obstacles posed by establishing a cryptocurrency taxation policy in carrying out tax non-compliance behavior. With the presence of this policy, the government has paid attention to the risk of non-compliance with taxes on crypto-currency instruments.

Undeniably, without the coercive nature of taxes, taxpayers prefer not to pay taxes rather than voluntarily because paying taxes can reduce the assets and personal income that taxpayers can obtain. Dissatisfaction with the tax system, feelings of injustice, and lack of trust in the government in managing taxes can also cause a person to be reluctant to pay taxes. Unlike tax evasion, which violates regulations, tax avoidance practices do not violate the substance of the law. However, tax evasion does not serve the purpose of applicable tax laws and is not ethical behavior. Therefore, the motive for tax non-compliance by cryptocurrency investors is interesting to study because of the emergence of tax policies on cryptocurrency that can inhibit tax non-compliance behavior that has been running freely due to a regulatory vacuum. Knowing the motive for tax non-compliance is expected to be a source of information for the government and DJP as a basis for reviewing, planning, and formulating policies regarding the taxation of cryptocurrency in the future.

LITERATURE REVIEW

The theory of Planned Behavior is often used in behavioral-based research and is commonly used in tax compliance and non-compliance research. According to Ajzen (1991), the Theory of Planned Behavior (from now on referred to as TPB) explains the behavior that is done by a person arising from an intention beforehand, where the intention can be influenced by three (3) main factors, namely behavioral belief, normative belief, and control beliefs.

Behavioral beliefs are the results and consequences believed by an individual for his behavior, where the belief in the results/consequences of the behavior forms an attitude variable. Attitude is a tendency to respond to evaluative things liked or disliked by an individual, giving rise to feelings of supporting, taking sides, obeying, or not supporting, impartial, and disobeying an object, individual, group, or events (Ajzen, 2005).

Normative belief is a normative expectation of a person or others who become a reference for what they believe. Roles and opinions from the external environment, such as friends, relatives, family, colleagues, and tax consultants, are the basis for someone to behave. Normative beliefs give rise to a variable subjective norm as a factor that encourages a person to perform a behavior. Subjective norm is the taxpayer's perception of the influence of the views of the people around him who become his references, such as family, friends, tax consultants, tax officers, leaders, and colleagues who motivate him to carry out a behavior.

Control belief is a person's belief based on factors that support or hinder his perception of behavior, forming the perceived behavioral control variable. Perceived behavioral control is related to individual perceptions of the ease and obstacles in carrying out a behavior and whether there are resources and opportunities to carry out a behavior (Mustikasari, 2007).

Using the TPB concept, perceived behavior control is related to individual perceptions of the ease and obstacles in carrying out a behavior and whether there are resources and opportunities to carry out a behavior (Mustikasari, 2007). So, the cryptocurrency tax policy is perceived by taxpayers regarding the convenience and obstacles to carrying out or not carrying out their tax obligations. In this study, the tax policy in question is a tax policy on Cryptocurrency, as stated in PMK 68/2022.

Referring to Law number 28 of 2007 concerning General Provisions and Tax Procedures (KUP), taxes are defined as "compulsory contributions to the state owed by individuals or entities that are coercive by law, with no direct reward and are used for the needs of the state for the greatest prosperity of the people." Taxes are a source of income for the government and have a distribution function to finance state needs and public interests.

The Fiduciary Access to Digital Assets and Digital Accounts Act (2014) defines digital assets broadly as data, text, e-mail, documents, audio, video, images, sound, social networking content, code, health care records, health insurance records, computer source code, computer programs, software, software licenses, databases, or the like, including usernames and passwords, created, created, sent, communicated, shared, received, or stored pan in an electronic way on a digital device.

Kud (2019) distinguishes three main types of digital assets, which include: a) formal – fully centralized and can be referred to as assets that only transfer value formally; b) cryptocurrency – fully decentralized; c) hybrid – individual elements of the infrastructure of these assets are centralized, while others are decentralized or absent altogether.

In this study, the type of digital asset discussed is a decentralized digital asset in Cryptocurrency. Cryptocurrency is a form of digital asset built with blockchain technology. Cryptocurrency is a virtual currency that uses cryptographic algorithm technology. The background for the formation of Cryptocurrency is to eliminate the need for a central party that controls the entire economic system. David Chaum created Cryptocurrency to create a decentralized transaction system that can be done anonymously or without identity (Nakamoto, 2008). With the advantages of fast, encrypted, and cheap cryptocurrencies, there are still many pros and cons for owning this Cryptocurrency due to a lack of trust and acceptance, as well as fears of system disruption because no party is responsible for cryptocurrency transactions (Putri et al., 2021).

In Indonesia, Cryptocurrency has been defined in PMK 68/2022, namely intangible commodities in the form of digital assets, using cryptography, peer-to-peer networks, and distributed ledgers to manage the creation of new units, verify transactions, and secure transactions without interference of other parties. The presence of regulations governing Cryptocurrency is important in society. PMK 68/2022 increasingly shows that cryptocurrency transactions as commodities are legal in Indonesia and supported by the government. In addition, the stipulation of this policy provides legal certainty so that people who will invest get clear and legal information about investing in Cryptocurrency, so that security and convenience in investing in cryptocurrency can be increased. The Bappebti regulates cryptocurrency trading under the Ministry of Trade. As a regulatory agency, Bappebti task is to carry out guidance, issue business licenses and regulations, supervise various activities of various futures trading, and provide facilities for solving problems that occur in the scope of futures trading.

Bappebti Regulation 8 of 2021 states the requirements for Cryptocurrency that can be traded on the Physical Cryptocurrency Market. Cryptocurrency that can be traded domestically refers to *Bappebti* Regulation 7 of 2020 concerning the Establishment of Lists of Cryptocurrency that can be Traded on the Physical Market of Cryptocurrency. As of February 2022, 229 types of Cryptocurrency have been legally traded through *Bappebti*..

Cryptocurrency themselves are seen as Taxable Goods (*BKP*). In Article 1 number (2) of the VAT Law, Goods are tangible goods which, according to their nature or law, can be movable or immovable goods and intangible goods. Crypto-currency meets the definition that represents a form of digital goods, namely in Regulation of the Minister of Finance Number 48/PMK.03/2020 (PMK 48/2020), which are any intangible goods in the form of electronic or digital information, including goods that are the result of conversion or conversion as well as goods that are originally electronic, including but not limited to software, multimedia, and/or electronic data. So from the two definitions above, Cryptocurrency includes Intangible Taxable Goods that can be subject to Value Added Tax (VAT). In addition, cryptocurrency that the government has designated as commodities can also provide additional income to holders of Cryptocurrency; therefore, Cryptocurrency can be subject to Income Tax.

On May 1, 2022, the implementation of cryptocurrency taxation took effect where the application of cryptocurrency and its tax provisions were based on Law number 7 of 2021 concerning Harmonization of Tax Regulations, with implementing regulations through Regulation of PMK 68/2022 concerning Value Added Tax and Income Tax on Cryptocurrency Trading Transactions.

The tax rate that is charged is 1% of the VAT rate multiplied by the transaction value of crypto-currency if you do it on a crypto-buying and selling platform registered with *Bappebti*. Transactions outside the *Bappebti* registered platform are subject to a 2% VAT rate multiplied by the transaction value. Crypto investors will be subject to income tax from income received or obtained from the sale of Cryptocurrency. The amount is 0.1% if the transaction is made on a platform registered with *Bappebti* and 0.2% if done on a non-registered platform.

With the presence of a regulatory system regarding crypto assets in Indonesia, studies on crypto assets are still very few and are generally in the form of qualitative narratives about the regulatory policy, as in research both in Indonesia and overseas (Houben & Snyers, 2018; Xu, 2019), and there is no quantitative empirical research yet relating to crypto asset investors motives regarding cryptocurrency tax. This research will pave the way for future researchers who aspire to empirically research crypto asset investors in the taxation sector with the motives indicators using the TPB model as the base.

RESEARCH METHODS

This research is a type of qualitative research using exploratory methods with data sources in the form of open questionnaires and in-depth interviews. The questionnaire and interview questions were formulated based on the TPB theory by Ajzen (1991) by providing a choice of potential answer options. Due to the decentralized nature of cryptocurrency, the exact population cannot be known or tracked. Informants and respondents were collected by snowball sampling technique in which a respondent gave references to other respondents who matched the criteria for the subject of this study, which is an Indonesian citizen and did a transaction of cryptocurrency asset in the past year.

Based on Heryana (2018), the snowball sampling technique is very good for using in-depth interviews. If prospective informants are unwilling to be interviewed, they will be directed to complete the questionnaire. Due to the sensitive topic, both the questionnaire and in-depth interview are conducted online to protect the privacy of the informants and respondents. Interview data and questionnaires that have been collected are then codified and interpreted as a basis for conclusions. The questionnaire is shown in Appendix 1.

The in-depth interview method was carried out by identifying whether the potential informants were on target and asking the prospective respondents for their consent to conduct interviews anonymously to protect the privacy of the potential informants. After being approved by the informant, they are invited to conduct a one-on-one online interview using a video conferencing application without showing their face and allowing the resource person to use a pseudonym. All conversations made during the interview were recorded in a recording, which was then transcribed into an interview transcript manually.

After all the data coded, codification of answers will be added up with a weight of 1 for the questionnaire and 5 for the in-depth interviews. The specific answer will be accepted if the score is bigger than 5; otherwise the answer will be declined to be included in as one of the motives of cryptocurrency investor tax-noncompliance.

RESULTS AND DISCUSSION

Result

From the data collection process, a total of 5 in-depth interviews were obtained and 25 questionnaire respondents were collected anonymously to protect the privacy of the interviewees and respondents. The researcher gave code 1 for interview questions and questionnaires regarding things that encourage tax non-compliance, code 2 for interview questions and questionnaires regarding the social environment that influences tax non-compliance decisions, and code 3 for interview questions and questionnaires regarding barriers to tax non-compliance behavior. The second number after the question code is the answer option code chosen by the interviewee and respondent. Due to the open exploratory nature of the test, other answers that are not yet in the answer options can be added. Respondents and resource persons are also allowed to choose more than one answer.

Based on the results of the interpretation and codification analysis that has been carried out, then the score of the answers that have been calculated based on their weights is calculated to determine whether certain motives are in accordance with the primary data obtained, accepted or rejected that can be seen in Appendix 2.

Table 1. Exploratory Test Result

Question Code	Factors	Total			Status
		Questionnaire (weight = 1)	Interview (weight = 5)	Score	
1.1	Personal finance savings	20	1	25	Accepted
1.2	Dissatisfaction with the tax system	18	3	33	Accepted
1.3	Distrust of tax handlers	19	1	24	Accepted
1.4	Burdensome tax rates	17	1	22	Accepted
1.5	Deliberately against the law	1	-	1	Rejected
1.6	Feelings of pride in rebel-liousness	2	-	2	Rejected
1.7	Newest policy contrary to the principle of decentralization	1	1	6	Accepted
2.1	Friend	20	4	40	Accepted
2.2	Family	8	-	8	Accepted
2.3	Colleague	16	-	16	Accepted
2.4	Cryptocurrency investors community	16	3	31	Accepted
2.5	Corruptor	1	-	1	Rejected
2.6	Social media	1	-	1	Rejected
2.7	null	-	1	5	Rejected
3.1	Lack of tax evasion loopholes	16	3	31	Accepted
3.2	Tax avoidance schemes are difficult to implement	16	1	21	Accepted
3.3	Potential for inspection by the tax authorities	17	-	17	Accepted
3.4	Potentially subject to sanc-tions	22	3	37	Accepted
3.5	Potential to be reported by third parties (exchangers)	14	-	14	Accepted

<u>*Discussion*</u>

For the first question regarding the factors that encourage non-compliance with cryptocurrency taxes, the accepted motives are personal financial savings, dissatisfaction with the tax system, distrust of tax administrators, burdensome tax rates, and recent policies contrary to decentralization principles. As for the intentional motive of violating the law and feelings of pride in rebelliousness, they are not accepted. Obtaining the highest score falls on code 1.2, namely the motive of dissatisfaction with the taxation system, namely 33, while the smallest score is code 1.5, which is a deliberate motive against the law, namely 1. From the in-depth interview, three from five informants thought that dissatisfaction with the taxation system was the top of mind answer when they answered the first interview question.

*"...**saya kurang percaya sistem perpajakan**. Karena saya berasal dari luar daerah Pulau Jawa, saya kurang merasakan adanya infrastruktur yang merata dengan saya membayar pajak yang sama besarnya dengan orang Jakarta ataupun orang Pulau Jawa yang bayar pajak dengan rate yang sama."* (...**I don't trust the tax system**. Because I come from outside the area of the island of Java, I don't feel that there is an equal infrastructure with me paying the same amount of tax as Jakartans or people on the island of Java who pay taxes at the same rate.)

"*Kita enggak tahu kalau kita harus bayar pajak ditambah masalah regulasi ini masih belum jelas, manfaat pembagiannya itu seperti apa…*" (We don't know if we have to pay taxes plus the **regulatory issue is still unclear, what kind of benefits will be shared**…)

"Menurut saya pribadi sih, saya tidak setuju, saya tidak menerima akan sistem perpajakan karena memang yang pertama itu tidak adil." (Personally, I don't agree, **I don't accept the tax system because the first one is unfair**.)

So that it can be said that the main motivation of cryptocurrency investors is less interested in complying with taxes caused by dissatisfaction with the tax system is not fair enough or in accordance with the wishes of cryptocurrency investors. This finding is in line with Putri et al. (2021) research which says that the importance of taxing regulations on crypto assets to regulate crypto trading. By implementing tax systems and regulations on a fair and non-burdensome basis, it will reduce the non-compliance of crypto asset investors. With further socialization about the taxation policy and transparant usage of tax, the investor would be more willing to pay taxes.

Furthermore, for the second question regarding parties that can influence a cryptocurrency investor's decision not to pay taxes, the accepted answers are friends, family, co-workers, and the investor community. While the answers that were rejected were corruptors and social media, as well as the null option or not answering. The highest score obtained is at code 2.1, namely friends with a score of 40 and 2.4, namely the investor community with a score of 31, while the acquisition of the smallest scores, namely codes 2.5 and 2.6, namely corruptors and social media with a score of 1. From the in-depth interview, four from five informants thought that friends was the top of mind answer when they answered the first interview question. Investor community also become another source that influence investors' decision to not pay taxes.

"...kalau dari lingkungan sosial saya ya kemungkinan besar itu ya dari teman-teman komunitas investor, yang rata-rata juga teman saya." (...if it's from my social environment, then most likely it's from friends from the investor community, who are also my friends.)

"...itu teman-teman dan komunitas sih, dan alasan yang paling masuk akal, paling reasonable lah, karena kita mulai dari satu lingkungan yang sama dan akhirnya kita bisa sharing pengetahuan. Di konteks yang sama, misalkan kripto, kita bisa sharing kalau misalkan ada info pembayaran pajak. Terus kalau pun misalkan ada cara untuk penghindaran pajak ya kita bisa tahu kan." (...it's friends and the community, and the most reasonable reason, it's the most reasonable, because we start from the same environment and in the end we can share knowledge. In the same context, for example crypto, we can share if for example there is information on tax payments. Then even if there is a way for tax evasion, we can find out, right?)

"Yang mempengaruhi saya pribadi untuk tidak bayar pajak selain dari sifat aset kripto itu juga ya teman-teman dan investor crypto lainnya. Psikologis kita itu main di situ 'Wah benar juga nih kata teman-teman investor kripto yang lain, benar ini'." (What influences me personally not to pay taxes apart from the nature of crypto assets is also friends or other crypto investors. Our psychology plays there, 'Wow, this is true, what other crypto investor friends say, this is true'.)

"...mungkin selain dari dari diri sendiri mungkin antara teman, atau mungkin kenalan. Misalnya kita lihat nih ada kenalan kita yang dia tidak membayar pajak tapi juga tidak pernah diperiksa oleh DJP. Kan hidupnya seperti santai-santai saja, tidak pernah diperiksa. Mungkin saya juga akan mengikuti dia dengan tidak bayar pajak. Kenapa harus bayar pajak kalau ujung-ujungnya juga sama-sama tidak diperiksa?" ("I think maybe apart from myself maybe between friends, or maybe acquaintances. For example, we can see that there is an acquaintance of ours who does not pay taxes but has never been investigated by the DJP. It's like his life is taking it easy, it's never been examined. Maybe I too will follow him by not paying taxes. Why do you have to pay taxes if in the end you don't end up being investigated?")

From these results it can be said that friends and communities of fellow investors cryptocurrency provide the greatest influence for cryptocurrency investors not to comply with tax provisions. This can happen because cryptocurrency investors tend to live in community with friends and fellow investors who have a lifestyle and way of thinking that tends to be homogeneous. This finding is in line with Ajzen (1991) TPB about the subjective norm which said that someone can be influenced by their social surroundings and take another persons perspective on something. In this case, the cryptocurrency investors were influenced by their friends and the people from the investors community towards their take on noncompliance perspective on cryptocurrency tax. If the government able to influence the taxpayers through the community to promote goodness and benefits of paying taxes, it will reduce the non-compliance againts paying taxes. Tax law enforcement also need to implemented, because when a taxpayer freely disobeying the tax law and never get any punishment, then it can influence other taxpayers to do the same behavior and push tax non-compliance higher.

On the third question regarding obstacles to carrying out tax non-compliance behavior, all answer options are accepted, which are the lack of tax avoidance loopholes, tax avoidance schemes that are difficult to realize, the potential for audits by the tax authorities, the potential of sanctions, and the potential of reported by third parties (exchangers). The highest score obtained is at code 3.4, namely the potential of sanctions with a score of 37. From the in-depth interview, three from five informants thought that the potential of sanctions gave them obstacles to actually not paying taxes.

"Menurut saya kalau sudah ada aturan seperti ini, dari pribadi

saya lebih baik tidak melanggar aturan pajak karena hukumannya berat. Jadi itu menjadi faktor yang mempengaruhi saya untuk tidak melanggar pajak." (In my opinion, if there is already a regulation like this, from my personal point of view it is better not to violate the tax regulations because the penalties are severe. So that became a factor that influenced me not to violate taxes.)

"*Kalau menurut saya, yang tadinya tidak patuh jadi patuh mungkin karena ada regulasi yang lebih ketat lagi mungkin yang tidak bayar pajak dalam jangka waktu tertentu akunnya bakal di blokir sama pihak brokernya. Mungkin sangat jadi pertimbangan untuk para investor.*" (In my opinion, those who were previously disobedient became compliant maybe because there are stricter regulations, maybe those who don't pay taxes within a certain period of time will have their account blocked by the broker. It might be a consideration for investors.)

"*...bakal kena sanksi secara langsung.*" (I will be subject to direct sanctions.)

So it can be said that the most obstacles that arise come from the potential for penalty. Penalty that are strict and effectively provide a deterrent to perpetrators of tax irregularities can reduce a person's intention to take actions that violate tax provisions. By providing strict penalties in accordance with laws and regulations, it is possible to reduce cryptocurrency tax violations. In line with how perceived behavior control in TPB by Ajzen (1991) able to change someone's intention and behavior with the presence of obstacle. The obstacle of the new cryptocurrency regulation in Indonesia in PMK 68 made the investors who have the non-compliance attitude towards tax, surrounded by people who are not supporting tax regulations, still comply the tax law because of the difficulty and fear of sanctions if they don't comply. However, the penalties should be followed by implementation of tax law enforcement as well for the regulation able to control the tax non-compliance.

CONCLUSION

The research concludes that cryptocurrency investors' motives in carrying out tax non-compliance behavior are saving personal finances, dissatisfaction with the taxation system, distrust of tax handlers, burdensome tax rates, and newest policies contrary to the principle of decentralization. People who influence cryptocurrency investors in committing tax non-compliance are friends, cryptocurrency communities, family, and colleagues. Things that can hinder cryptocurrency investors from carrying out tax non-compliance are the lack of loopholes, tax avoidance schemes that are difficult to implement, the potential of inspection by the tax authorities, the potential of sanctions, and the potential of reporting by third parties (the exchangers).

This research implies that it can be used as a reference basis for making cryptocurrency tax policies to improve tax compliance and the quality of its implementation, considering that this policy is a new policy that requires further study. The limitation of this study is that the questionnaire distribution system is entirely in the form of online questionnaires based on anonymity to protect the privacy of respondents so that researchers cannot ensure that respondents fill out the questionnaire according to the actual situation or not because it is based on the respondent's perception and sincerity in filling out the questionnaire. It is suggested for further research to use the results of this study as an indicator of the variables in the TPB to measure cryptocurrency tax non-compliance with a quantitative method empirically. Future researchers can also add other factors that are thought to influence cryptocurrency tax non-compliance, considering that studies on cryptocurrency are still relatively few in Indonesia despite their increasing popularity.

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APPENDIX

Appendix 1. Exploratory Test Questionnaire

Questions

1 Assume that you are a taxpayer who does not comply with the taxation policy of crypto assets. What are the things that drive the non-compliance?

- Personal finance savings
- Dissatisfaction with the tax system
- Distrust of tax handlers
- Burdensome tax rates
- Deliberately against the law
- Feelings of pride in rebelliousness
- Other, mention: ______________________________________

2 The social environment is often able to influence taxpayers in carrying out their tax obligations. In your opinion, who can influence the decision not to pay taxes?

- Friend
- Family
- Colleague
- Cryptocurrency investors community
- Other, mention: ______________________________________

3 Assume that you have an intention to commit crypto asset tax non-compliance. In your opinion, what are the things that can hinder or hinder this intention since the presence of PMK 68?

(PMK 68 of 2022 contains the application of VAT and *PPh* on Crypto Asset Trading Transactions where the calculation and collection is carried out by third parties, namely ex-changers (Examples: Tokocrypto, Indodax, etc.) directly, namely at the time of transaction or swap. Registered exchanges *Bappebti* has the right to collect all information needed by the authorities, one of which is the NPWP of all users.)

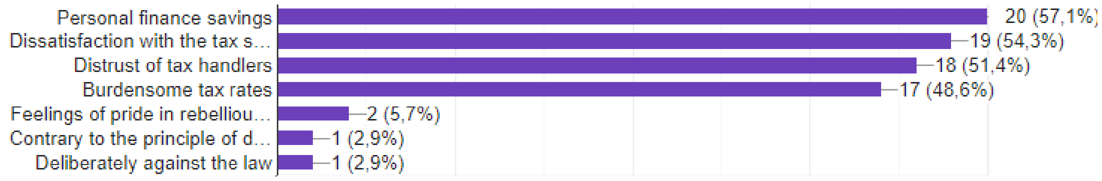
- Lack of tax evasion loopholes
- Tax avoidance schemes are difficult to implement
- Potential for inspection by the tax authorities
- Potentially subject to sanctions
- Potential to be reported by third parties (exchangers)
- Other, mention: ______________________________________

Appendix 2. Questionnaire And Interview Analysis

Question Code = 1

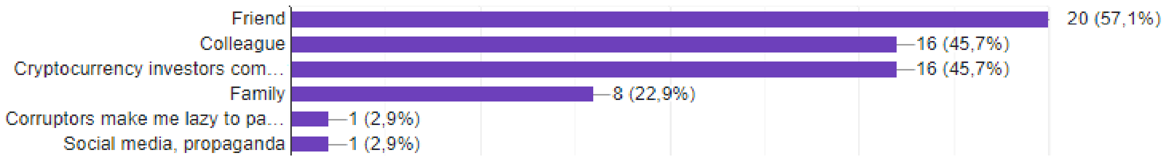
Exploratory Test Questionnaire Results

Assume that you are a taxpayer who does not comply with the taxation policy of crypto assets. What are the things that drive the non-compliance?



Question Code = 2

The social environment is often able to influence taxpayers in carrying out their tax obligations. In your opinion, who can influence the decision not to pay taxes?



Question Code = 3

Assume that you have an intention to commit crypto asset tax non-compliance. In your opinion, what are the things that can hinder or hinder this intention since the presence of PMK 68?

(PMK 68 of 2022 contains the application of VAT and PPh on Crypto Asset Trading Transactions where the calculation and collection is carried out by third parties, namely exchangers (Examples: Tokocrypto, Indodax, etc.) directly, namely at the time of transaction or swap. Registered exchanges Bappebti has the right to collect all information needed by the authorities, one of which is the NPWP of all users.)