



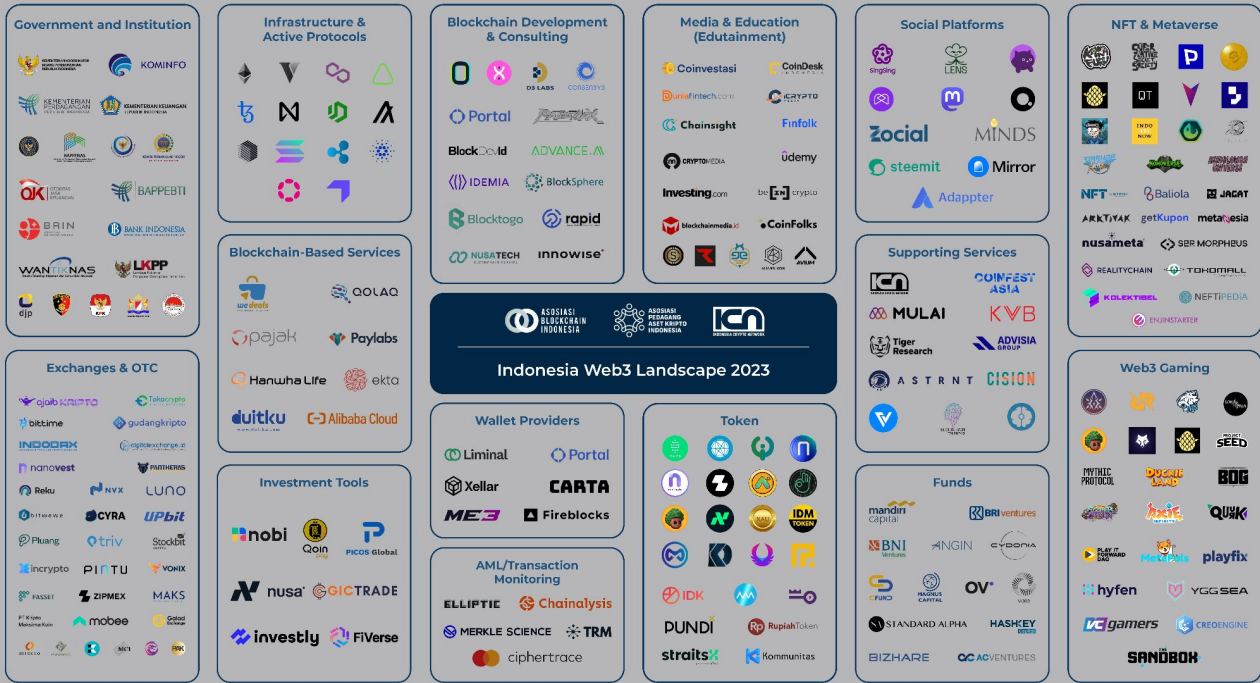
2023

INDONESIA CRYPTO & WEB3 INDUSTRY REPORT

Compiled & reported by

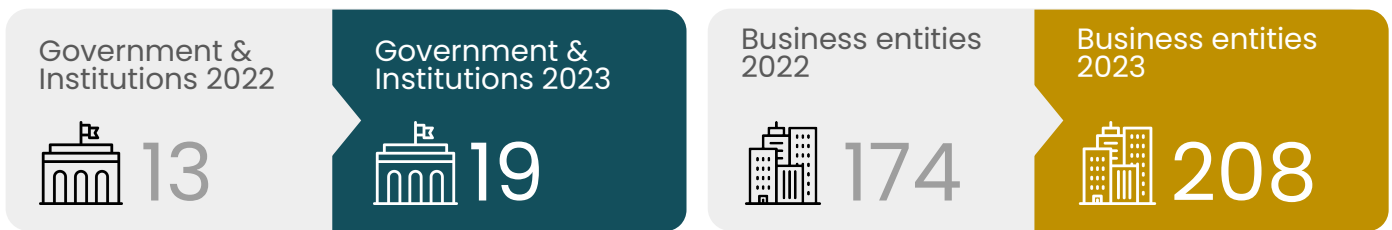


Indonesian Web3 Landscape



Published on December 29th, 2023

Image 2.1 Indonesia Web3 Landscape 2023



From the standpoint of businesses and enterprises in Indonesia, innovation has progressed rapidly, particularly in transaction-related aspects such as reporting, transaction monitoring, wallets, and other services. Various platforms are increasingly leveraging blockchain technology as a primary foundation or key supporter to enhance the efficiency and reliability of their services.

The global evolution of regulations has also contributed to garner increased attention from governments, institutions, and policymakers. Throughout the year 2023, numerous intensive discussions have transpired, resulting in a substantial expansion of the scope of blockchain and crypto asset development.

Indonesian Crypto Overview

Overall Index Ranking	Country		Region
1		India	Central & Southern Asia and Oceania
2		Nigeria	Sub-Saharan Africa
3		Vietnam	Central & Southern Asia and Oceania
4		United States	North America
5		Ukraine	Eastern Europe
6		Philippines	Central & Southern Asia and Oceania
7 (▲13)		Indonesia	Central & Southern Asia and Oceania
8		Pakistan	Central & Southern Asia and Oceania
9		Brazil	Latin America
10		Thailand	Central & Southern Asia and Oceania

Table 2.1 Chainalysis 2023 Geography of Cryptocurrency Report - Global Adoption Index

Central and South Asia and Oceania, stands tall as a champion of grassroots crypto adoption.

A staggering 60% of the top 10 countries in the Chainalysis Global Crypto Adoption Index hail from this dynamic region, including **Indonesia, whose impressive climb from 20th place in 2022 to 7th place in 2023 showcases the immense potential of the CSAO region.**

Indonesian Crypto Overview

18.25 million crypto investors
(6.54% of total population)

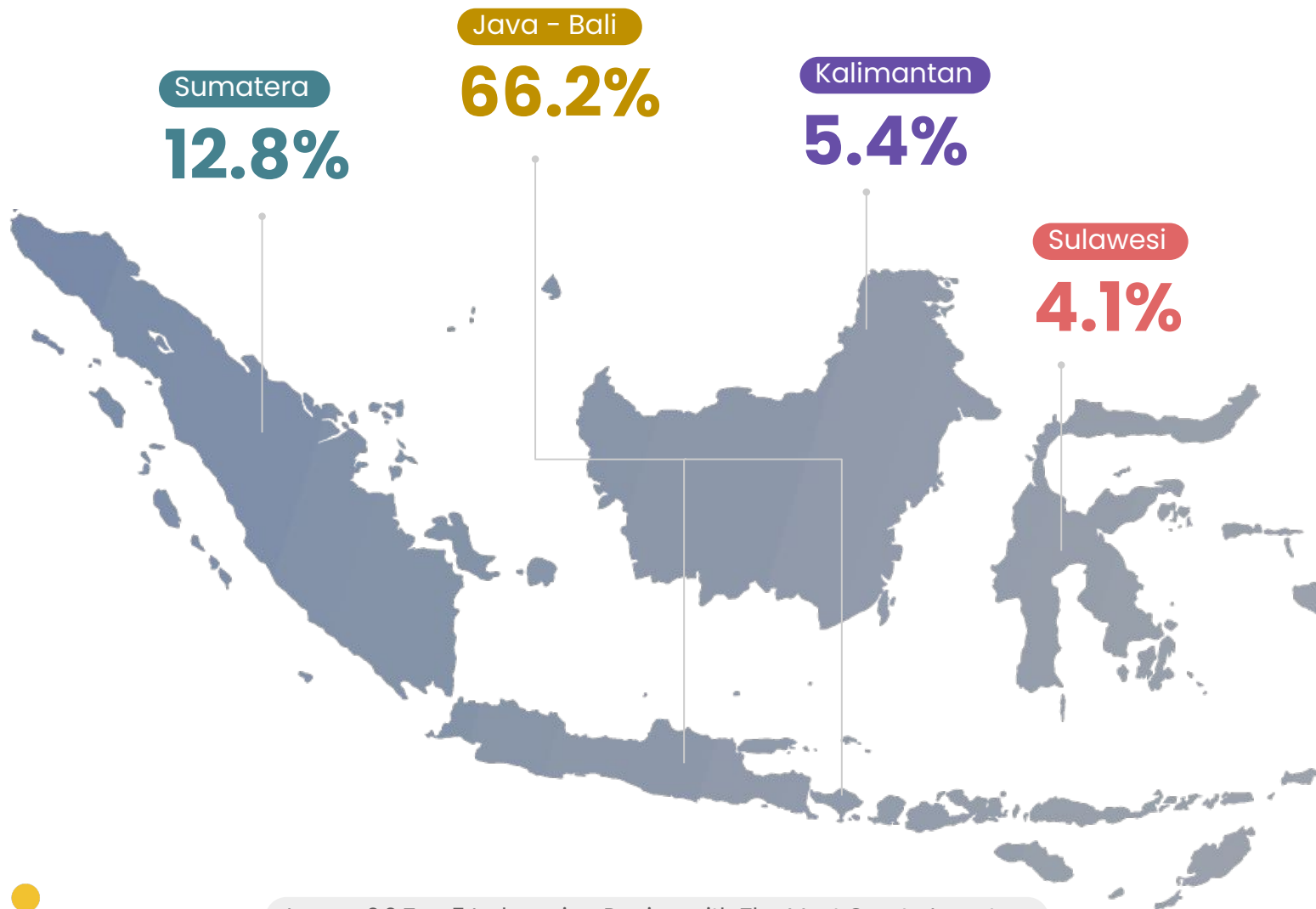


Image 2.2 Top 5 Indonesian Region with The Most Crypto Investors

According to data from the Commodity Futures Trading Regulatory Agency (Bappebti/CoFTRA), the total number of crypto investors in Indonesia reached 18.25 million as of November 2023.

The average monthly increase in the number of registered customers is 437,900 customers. Java & Bali is the region with the highest number of crypto investors, at total of 66.2%.

Indonesian Crypto Overview

US\$7.82 billion Total Transaction in 2023

The total transaction value of crypto assets traded in Indonesia amounted to US\$7.82 billion in 2023. It experienced a decline from total US\$19.6 billion in 2022 due to bear market conditions. The value fluctuated from January to September, and in November 2023 it experienced a significant upswing.

Crypto Transaction Value in Indonesia January – November 2023

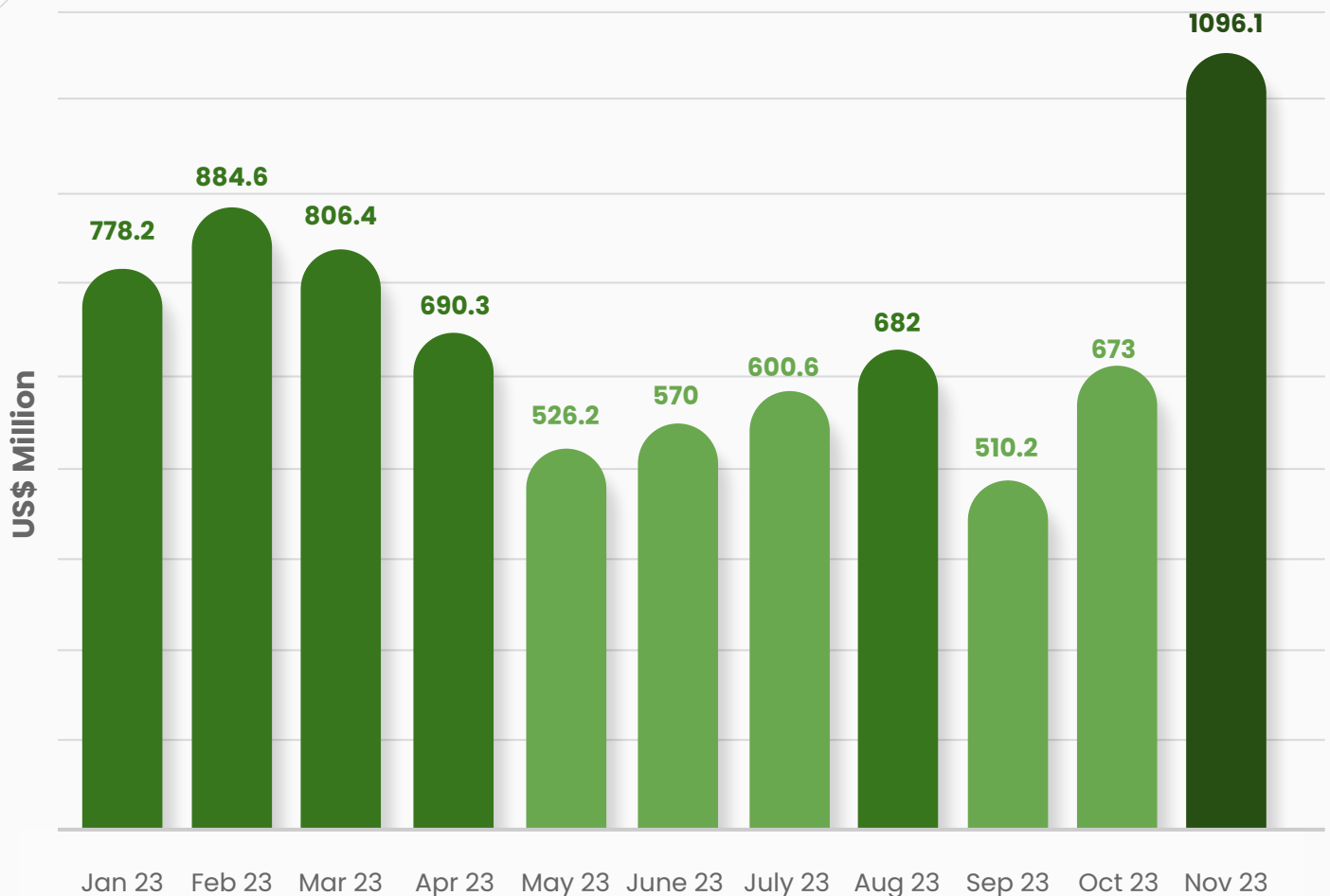


Image 2.3 Crypto Transaction Value January – November 2023. Source: CoFTRA

Web3 & Crypto Regulation



Indonesia's regulatory framework for Web3 and Crypto is still evolving, but the government has taken a proactive stance toward the market. Web3, often associated with blockchain, crypto assets, decentralized finance (DeFi), and non-fungible tokens (NFTs), is currently under observation and study by Indonesian regulators, with comprehensive regulations in a state of flux.

The Indonesian government has expressed interest in exploring blockchain and its applications, recognizing its potential across various sectors such as finance, supply chain, and governance. However, given the dynamic and evolving nature of Web3 technologies, regulatory bodies are diligently working to understand the associated risks and benefits before formulating comprehensive guidelines.

Web3 Regulation

1

The Ministry of Communication and Informatics (Kominfo) actively monitors blockchain activities to prevent potential illegal activities and ensure consumer protection in electronic operations. To regulate business activities and set product **standards for the development of blockchain technology (KBLI 62014)**, Kominfo has issued **Ministry Regulation No. 3 of 2021**. In partnership with pertinent stakeholders, Kominfo advocates for the creation of **regulatory sandboxes** in diverse tech-related sectors such as fintech, telecommunications, and digital services. These sandboxes serve as controlled environments where innovative technologies or business models can be tested under relaxed regulatory conditions. This initiative aims to facilitate the growth of the industry while maintaining a vigilant regulatory approach.

2

Within the financial services sector, the Financial Services Authority (Otoritas Jasa Keuangan/OJK) has established a **regulatory sandbox** to promote innovation while ensuring regulatory oversight through **OJK Regulation No. 13/POJK.02/2018 concerning Financial Digital Innovation in Financial Services Sector**. This sandbox provides an opportunity for fintech startups and companies to test their innovative financial products, services, or business models in the evolving landscape of financial technology, including blockchain-based business innovation.

As of November 2023,  **97 companies** have undergone the registration process for OJK's regulatory sandbox.

- 37 organizers in the aggregator cluster
- 17 organizers of innovative credit scoring
- 8 organizers of transaction authentication
- 7 organizers of financial agents
- 6 organizers of electronic-know your customer (e-KYC)
- 5 organizers in the regulatory technology and electronic signature (regtech & e-sign)
- 4 organizers of financial planning
- 3 organizers of funding agents
- 3 organizers of insurance and technology/insurtech)
- 2 organizers on tax and accounting administrators
- 2 organizers in the wealth management technology (wealthtech)
- 1 organizer of online distress solutions
- 1 organizer of regtech-Politically Exposed Person (PEP)
- 1 organizer of insurance centers (insurance hub)

Crypto Regulation



Crypto asset transactions in Indonesia currently fall under the jurisdiction of the Commodity Futures Trading Supervisory Agency (Bappebti/CoFTRA), treating them as **commodities**. This arrangement will persist until the **transition to the oversight of the Financial Services Authority (OJK)** is finalized, in accordance with **Law Number 4 of 2021**. The regulatory framework for these transactions is **mainly governed by CoFTRA Regulation Number 13 of 2022 and CoFTRA Regulation Number 8 of 2021**, which provide guidelines for organizing crypto asset trading on the futures exchange. These regulations emphasize compliance within the dynamic landscape of crypto asset transactions.

In the past few years, crypto asset transaction regulations in Indonesia have developed with the issuance of several regulations. By the end of 2023, the regulatory framework is as follows:

Indonesian Crypto Trading ecosystem



CoFTRA Regulation Number 8 of 2021 and Number 13 of 2022 concerning Guidelines for the Crypto Asset Trading Implementation in the Futures Exchange.

Highlights **licensing requirements, rights and responsibilities** for crypto exchanges, **Self Regulatory Organizations** (Crypto Asset Futures Exchange, Clearing House, and Depository), **trading processes**, and **supervisory & monitoring provisions**. This regulation established as foundation for SROs monitoring activity. In mid-July 2023, CoFTRA gave licensing approval for Crypto Asset Futures Exchange, Futures Clearing House for Guaranteeing and Settlement of Crypto Asset Physical Market Trades, and Crypto Asset Storage Managers (Depository).

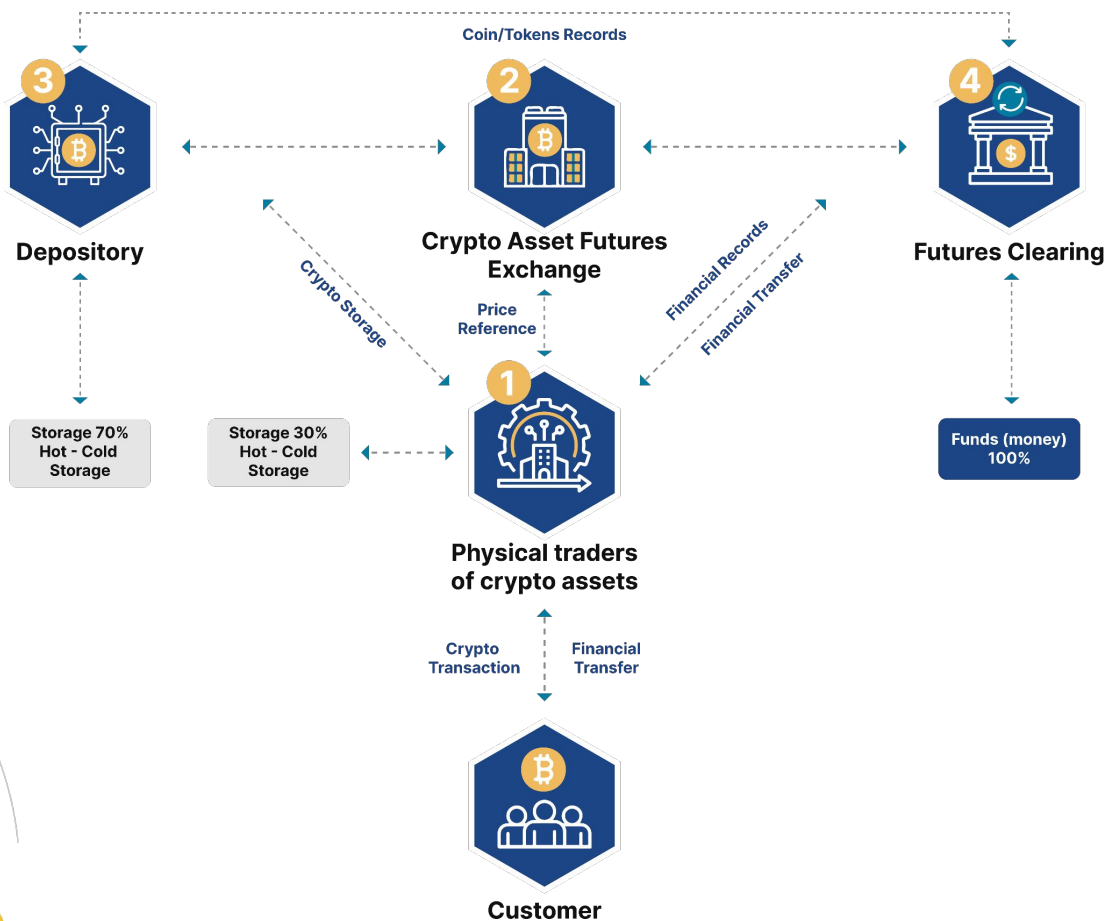


Image 2.4 Indonesian crypto asset trading ecosystem. Source: CoFTRA

Indonesian Crypto Trading ecosystem




Self-Regulatory Organization (SRO)	Company	Function
Crypto Asset Futures Exchange	 PT Bursa Komoditi Nusantara	Crypto Exchangers, as per CoFTRA licensing, are required to report, handle transactions, monitor markets in real-time, and develop crypto futures and other derivative products. They also play a role in making system recommendations and building membership.
Futures Clearing House	 PT Kliring Berjangka Indonesia	Financial settlement, Delivery versus Payment (DvP) function, financial integrity monitoring, transaction suspend function.
Depository	 Tennet Depository PT Tennet Depository Indonesia	Manage the storage, supervision and/or delivery of customer crypto assets belonging to Crypto Asset Exchanges.

Table 2.2 Key Players in Indonesian Crypto Trading Ecosystem

Transaction Process

1. Potential customers open an account in the Crypto Exchanges. After passing the **KYC procedures** and being approved as customers, they can transact through the Crypto Exchanges platform for the following transaction types: Fiat (IDR) with Crypto Assets (or vice versa), Swap, or place quotations for crypto assets.
2. **Customers deposit** funds into a Segregated Account of the Crypto Exchanges that is controlled by the Futures Clearing House (100%). The intended funds are used to purchase Crypto Assets.
3. The crypto assets that have been transacted (public and private keys) will be **stored by the Depository**, both in the form of "Hot Wallet" and "Cold Wallet".
4. There will be financial record-keeping between the Crypto Exchanges and the Futures Clearing House, including **records of ownership of crypto assets**. The Futures Clearing House will verify the monetary amount with the crypto assets held at the Depository.
5. Reporting of transactional data from the Crypto Exchanges, Futures Clearing House, and Depository will be delivered to the Crypto Asset Futures Exchange as the baseline for **price reference and market supervision**.

Registered Exchanges in Indonesia

There are 32 registered local exchanges in Indonesia.
This number grew from 25 exchanges in 2022.


NVX

Pluang

PAK

triv

CYRA

ajaib KRIPTO

Stockbit

PANTHERAS
ONE-STOP CRYPTO EXCHANGE


bitwewe

NagaExchange

Galad Exchange

BITOCTO

nanovest

gudangkripto

LUNO

Reku

Tokocrypto
PINTU

ZIPMEX

bittime

incrypto

VONIX

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The Future of Digital Assets Exchange in Indonesia


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PT. KRIPTO MAKSIMA KOIN

MAKS
MITRA KRIPTO SUKSES


mobee

Fasset.

KRIPTOSH

MCI PT. Medi Crypto International
Global Cryptocurrency Trading


PlutoNeXT

Crypto Whitelist



CoFTRA Regulation Number 4 of 2023 concerning Amendments to CoFTRA Regulation Number 11 of 2022 concerning Determining the List of Crypto Assets that Can Be Traded on the Physical Crypto Asset Market (Positive List).

Updating the positive list that previously contained a list of 383 (three hundred thirty-eight) crypto assets to **501 (five hundred one) crypto assets**. In ensuring crypto asset customers' protection and the continuity of the crypto asset industry with integrity, CoFTRA considers the following matters as criteria:



Public ownership in a reasonable range (more than 30%)



Sufficient coin/token project information about security, profile, business model governance, system scalability, and development roadmap)



Developer integrity according to the team's track record and transparent fund management



Integrity in project development



Fairness, where the benefits of coin/token ownership are commensurate with the price, can be sustainable and are based on a fair price (free from monopoly and manipulation)



Provide access to updated information



Have had an assessment of the feasibility and sustainability of the business model, system security and risks, either from independent institutions, communities or associations



Have a strong and stable community

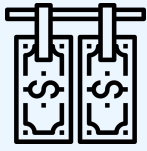


Transparency on supply and distribution of crypto assets



Receive funding support

Anti Money Laundering & Transaction Monitoring



CoFTRA Regulation Number 8 of 2023 amends CoFTRA Regulation Number 5 of 2023, focusing on Guidelines for Preventing Funding for the Proliferation of Weapons of Mass Destruction by Futures Brokers, Prospective Crypto Asset Physical Traders, and Crypto Asset Physical Traders (Crypto Exchanges).

Guided by the National Risk Assessment, Sectoral Risk Assessment, and Indonesia's membership in the Financial Action Task Force (FATF), Bappebti establishes guidelines for Crypto Exchanges to **identify, assess, and comprehend risks associated with crypto asset transactions**. Within this framework, Crypto Exchanges are mandated to implement a monitoring policy and Anti-Money Laundering/Countering the Financing of Terrorism (AML-CFT) & Prevention of Weapons of Mass Destruction (PWMD) **risk management and mitigation procedures**, encompassing:



Identify and verify potential customers, customers and beneficial owners



Data monitoring and updating



Maintaining accurate CDD/EDD, transaction and DPPSPM data



Reporting on ML-FT & WMD prevention programs

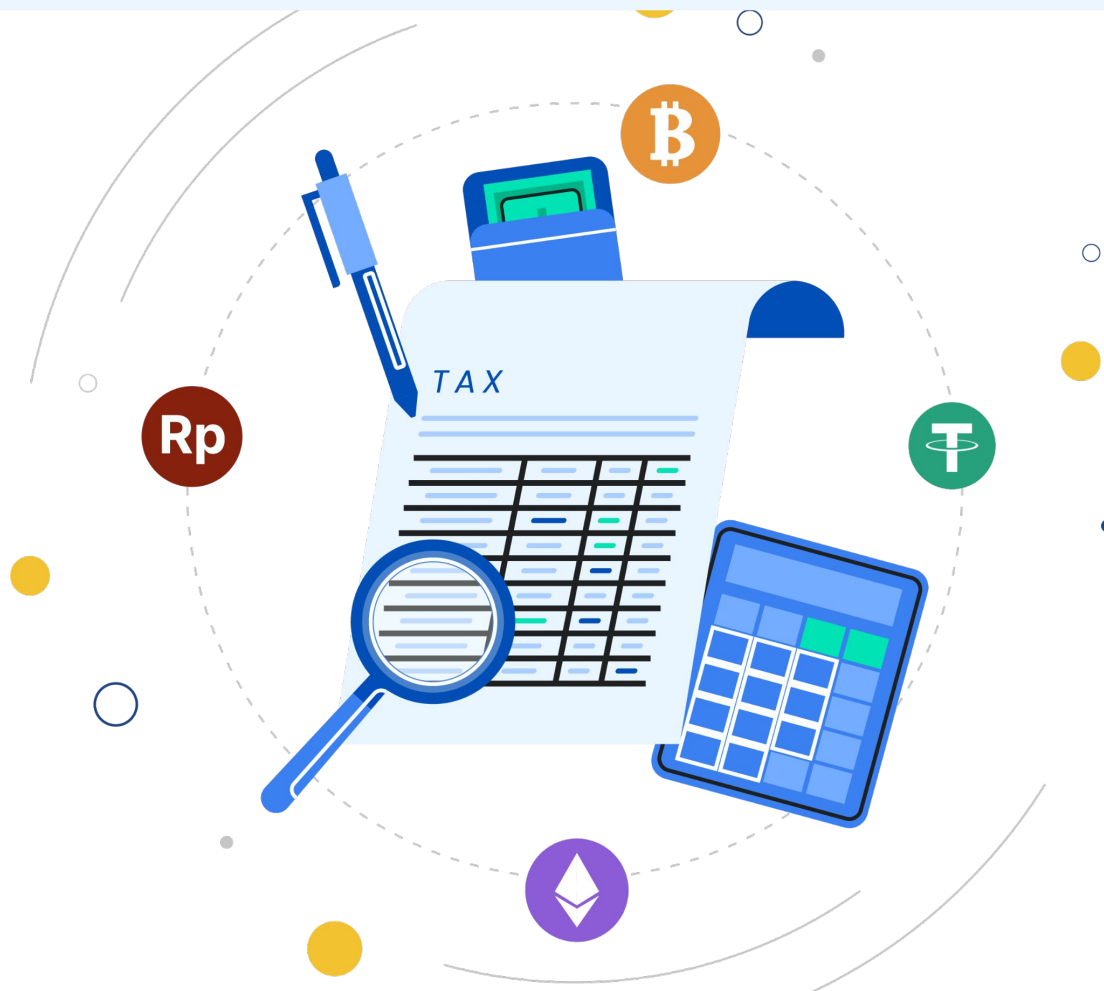


Reporting to PPAK/INTRAC

Crypto Accounting Classification



CoFTRA Regulation Number 3 of 2023 concerning Guidelines for Criteria for Public Accountants and Public Accounting Firms in the Commodity Futures Trading Sector.



Standard criteria are set for Public Accountants or Accounting Firms auditing the Annual Financial Report for Crypto Exchanges. The criteria define **qualifications and expectations**.

Businesses must report their intended use of these services to Bappebti in advance, ensuring transparency and regulatory oversight.

Top Crypto Assets Traded in Indonesia

Based on data provided by Bappebti/CoFTRA, USDT and BTC emerge as the leading crypto assets in terms of transaction value for the period spanning January to November 2023. Among the frequently featured digital assets in the top 5 rankings are SHIB, DOGE, and XRP.

However, in November 2023, SOL claimed the third position, surpassing ETH, while AXS made its appearance and secured the fifth spot in the rankings.
























































No	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
1	 USDT	 USDT	 USDT	 USDT	 USDT	 USDT	 USDT	 USDT	 USDT	 USDT	 USDT
2	 BTC	 BTC	 BTC	 BTC	 BTC	 BTC	 BTC	 BTC	 BTC	 BTC	 BTC
3	 ETH	 ETH	 ETH	 ETH	 ETH	 ETH	 ETH	 ETH	 ETH	 ETH	 SOL
4	 SOL	 SHIB	 SHIB	 DOGE	 DOGE	 DOGE	 DOGE	 XRP	 XRP	 XRP	 ETH
5	 DOGE	 DOGE	 DOGE	 SHIB	 SHIB	 SHIB	 XRP	 DOGE	 DOGE	 DOGE	 AXS

Table 2.3 Top 5 Crypto Assets in Indonesia Based on Transaction Value



**ASOSIASI
BLOCKCHAIN
INDONESIA**



**ASOSIASI
PEDAGANG
ASET KRIPTO
INDONESIA**

Asosiasi Blockchain dan Pedagang Aset Kripto Indonesia is an association composed of business entities implementing blockchain technology and registered crypto exchanges in Indonesia.



The association primarily focuses on establishing a high-quality business environment to promote understanding, utilization, progression, and competitiveness in the Web3 market at both national and international levels.



Driven by the values of equality, decentralization, empathy and responsibility, the Association is committed to supporting the massive, transparent, and systematic penetration of blockchain technology and crypto asset ecosystem while upholding ethical standards and best practices within this dynamic space.



Website : asosiasiblockchain.co.id — aspakrindo.org



Instagram : [aspakrindo_abi](https://www.instagram.com/aspakrindo_abi)



Telegram : [ABI-Aspakrindo & Friends](https://www.telegram.com/join/ABI-Aspakrindo)



LinkedIn : [Asosiasi Blockchain & Pedagang Aset Kripto Indonesia](https://www.linkedin.com/company/asosiasi-blockchain-pedagang-aset-kripto-indonesia)



Coinvestasi

Organizer of Coinfest Asia & the leading **cross-platform crypto & blockchain media** in Indonesia since 2017.

Coinvestasi provides daily informative and creative contents for Indonesian crypto and blockchain enthusiasts on Coinvestasi.com, YouTube, Instagram & daily discussion on Twitter, Telegram and Discord Community.

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PAST CLIENTS



CARDANO



BNB CHAIN



Huobi Global

PINTU



NEAR



linch



Fireblocks



BINANCE

BYBIT



SOLANA



Tokocrypto

INDODAX
INDONESIA DIGITAL ASSET EXCHANGE

UPbit



Tezos

WANT TO KNOW MORE?
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indonesiacrypto.network

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Primary Data of Crypto Transaction Value from Bappebti/CoFTRA.

Primary Data of Registered Crypto Customers from Bappebti/CoFTRA.

Primary Data of Top Crypto Traded from Bappebti/CoFTRA.

Related Regulation

Financial Services Authority/OJK Regulation No. 13/POJK.02/2018.

Financial Services Authority/OJK Law Number 4 of 2021.

CoFTRA/Bappebti Regulation Number 8 of 2021.

CoFTRA/Bappebti Regulation No.13 of 2022.

CoFTRA/Bappebti Regulation Number 3 of 2023.

CoFTRA/Bappebti Regulation Number 4 of 2023.

Ministry of Communication and Information Regulation No.3 of 2021.