

*Research Article***Legal Construction of Crypto Assets as Objects of Fiduciary Collateral****Sri Mulyani<sup>1\*</sup>, Siti Mariyam<sup>2</sup>, Hieu Hong Trung Le<sup>3</sup>**<sup>1,2</sup>Faculty of Law, Universitas 17 Agustus 1945 Semarang, Indonesia<sup>3</sup>Van Lang University, Ho Chi Minh, Vietnam

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**ABSTRACT**

Crypto assets have become the commodities traded on the Futures Exchange. Based on the data from the Ministry of Trade, the number of crypto asset investors in Indonesia will reach 11 million people by the end of 2021. The high level of crypto investment and public interest in crypto as a digital asset provide excellent opportunities for Indonesia's digital industry and economic growth. This research will discuss the use of crypto assets as objects of fiduciary collaterals and the legal framework used as a legal basis for crypto assets subject to fiduciary collaterals. The research methodology is normative juridical applied using a comparative approach to the laws in Indonesia and Vietnam because the rules regarding crypto assets in Vietnam are clearer. The data collected were secondary data, and they were analysed using qualitative data analysis. The results of the study show that crypto assets are intangible movable objects that have economic value and can be transferred due to an agreement through each user's account so that conceptually crypto assets can be used as fiduciary collateral objects. However, considering that crypto assets are digital currencies cannot be predicted, legal protection for creditors holding crypto asset collaterals is still weak. In addition to the absence of regulations that specifically regulate crypto assets that can be used as objects of fiduciary collateral, there are also difficulties in execution, so there is a need for a construction legal umbrella that regulates crypto assets to be used as fiduciary collateral objects.

**Keywords: Legal Construction; Crypto Assets; Fiduciary Collateral Object****A. INTRODUCTION**

During the Covid 19 pandemic that hit the world, including Indonesia, there was no exception, encouraging the rapid use of crypto assets. Crypto Assets are the digital assets that utilize blockchain technology. Crypto assets are intangible commodities in digital form that use cryptography, information technology networks, and distributed ledgers to control the creation of new units. They verify transactions, and secure transactions without third party interference as stipulated in Article 1 Number 7 of CoFTRA

Regulation Number 8 of 2021.

Crypto is a digital asset on top of the blockchain system that can be used for internet network-based virtual transactions. Crypto assets provide opportunities for digital economic growth in Indonesia. By looking at the data from the Ministry of Trade, the number of crypto asset investors in Indonesia will have reached 11 million people by the end of 2021. This proves that crypto asset users in Indonesia have become an investment choice. Digital investments in crypto assets are also known as virtual currencies, which

are intangible and not issued by a country or a central bank in a particular country.

Bitcoin is an early concept of cryptocurrency. This concept is explained in the article titled 'Bitcoin: A Peer-to-Peer Electronic Cash System' by Satoshi Nakamoto, which can be found on the bitcoin.org website (Nakamoto, 2008). In the article, Nakamoto presents cryptocurrency as a digital payment system based on cryptographic proof, not trust. Cryptography is a technique for securing information and communications through the use of codes. Cryptographic proof can be seen in verified and recorded transactions stored in the blockchain (Fauzia, 2021).

There are differences in the formulation of the juridical definition of cryptocurrency. The Ministry of Trade sees it as a digital asset that can be exchanged on futures exchanges (Urquhart, 2016). Bank Indonesia sees it as digital money, making it illegal to use as a form of payment (Nurhisam, 2017). Similarly, in Malaysia, the Security Commission determines cryptocurrency as a legal digital asset under the Capital Markets and Services Order 2019 (Sukumaran, Bee, & Wasiuzzaman, 2022). However, the central bank shall not qualify this asset as legal money or a payment instrument (Cointelegraph, 2022). Likewise, pursuant to Hong Kong law, cryptocurrency is not recognized as a legal tender by Hong Kong Monetary Authority, but it is identified as one of virtual assets for dealing and distributing by the Security

Commission (Cointelegraph, 2022). The existence of these two different concepts shows the weakness of the rules related to the implementation of crypto assets (Rohman, 2021). Crypto assets are digital currencies that exist in an open-source, peer-to-peer (P2P) payment network system. P2P refers to a network model in which two or more computers are connected and each device can share resources within the network. The network makes it easier for users to make transactions directly without going through third-party services such as banks (Nurcholis, Suarda, & Prihatmini, 2021). Crypto assets are digital assets that are intangible objects that can be transferred from one owner to another via electronics with an internet network. Therefore, crypto assets can be used as a collateral for credit (Rahman, Sudarmanto, & Widayati, 2020). According to Imanda's research findings, crypto assets can be considered as intangible assets and. If used as collaterals, pawnbroker institutions can be used. However, there are no established regulations or standards for using crypto assets as collateral in peer-to-peer lending, leading to a significant risk of loss due to cybercrime (Imanda, 2020). Other research examined the technical, economic, and legal aspects underlying cryptocurrencies — the native digital assets that form the basis of open public blockchain infrastructures. This structure is then extended to cover secondary tokens, in which

blockchains can be leveraged to issue, register, and settle digital assets that may represent securities, private forms of money, or other property rights (Sehra, Cohen, & Arulchandran, 2018). Other research states that the meteoric growth of the global cryptocurrency market presents new challenges for regulators. The empirical basis is the basis or regulatory decisions regarding cryptocurrency trading. Among other things, they question that capital flight or chilling effects should be a major concern (Feinstein, & Werbach, 2021).

Some of the research above underlies this research which focuses on studying crypto assets that can be used as objects of fiduciary collaterals, considering that fiduciary collaterals are the collateral institutions that submit collateral objects in trust. This means that the object (crypto asset) is still in the hands of the debtor (object owner), but the crypto asset document has been transferred to the collateral holder to be used as collateral. The problem is; if crypto assets can be used as fiduciary collateral objects, documents as proof of ownership of crypto assets in the digital world are difficult to detect because they are hampered by account ownership.

Several parties are involved in buying and selling crypto assets, namely physical traders of crypto assets; crypto asset customers; and managers of crypto asset storage areas in network applications. Proof of ownership of someone having crypto assets is

an account integrated with the crypto market. Crypto asset account holders have rights. At the same time, their obligations will be charged with fees for each sale and purchase transaction of crypto assets, free transactions, and obligations that the crypto assets will be used as collateral are in the form of a wallet account, a kind of crypto account that can be registered on each blockchain.

Since the enactment of the Bank Indonesia Regulation initiating the process of implementing a cryptocurrency payment system, crypto money has not been considered legal tender in Indonesia to protect Indonesian people (Rahayu et.al, 2020). The laws mentioned above include PBI 11/12/PBI/2009 concerning Electronic Money, PBI 18/40/PBI/2016 concerning Clearing Processing Transactions, and PBI 19/12/PBI/2017 concerning Financial Technology Regulations related to the use of virtual currency. According to this law, virtual currency includes digital money exchanged between parties in addition to traditional currencies used through mining, staking, or other gift transfers, such as Bitcoin, Blackcoin, and Ethereum. It also refers Law Number 7 of 2011 concerning Currency and Bank Indonesia Regulation Number 17/3/PBI/2015 concerning the Use of Rupiah, which recognizes currency as the primary means of payment.

Since the creation of cryptocurrencies as a result of technological advancements in e-commerce activities, virtual money has become a phenomenon in society. Cryptocurrency is a

collection of cryptographic codes that have been designed to be kept in a computer, sent as email, and utilized as a form of payment in a business transaction. There are more than 100 different kinds of cryptocurrencies, including Bitcoin, Ethereum, Litecoin, Ripples, and RonPaulCoin. The market leader among all of these cryptocurrencies is bitcoin, which has a market capitalization of \$11,495,123,941 and a price of \$ 7,266.07 per bitcoin (BTC) (Honggowongso, & Kholil, 2021).

Crypto assets are intangible assets that can be transferred through buying and selling or used as collateral objects. A fiduciary collateral is a collateral with submission in trust in which the debtor or owner still controls the material object that is used as the fiduciary collateral. Conceptually, crypto assets can be used as objects of fiduciary collaterals because they are based on Article 499 of the Civil Code which states that crypto assets fulfil material elements, that they can be transferred by purchase and sell, as well as the objects of fiduciary collaterals. However, since crypto assets are intangible mobile objects with an unpredictable nature, transactions in the internet network are digital. Legally, there are no regulations specifically regulating it, so legal protection for creditors holding fiduciary collaterals is very weak even though crypto assets have economic value. This research has a novelty value because it examined further the legal construction of crypto assets as fiduciary collaterals including all proof of

ownership of these assets. The need for the legal construction of crypto assets as objects of fiduciary collaterals in the future is to provide legal certainty and protection. It is necessary to legally construe crypto assets as objects of fiduciary collaterals in the future in order to provide legal certainty and protection.

## B. RESEARCH METHODS

This research was normative juridical research, using a conceptual approach and a comparison of the laws in Indonesia and Vietnam regarding Cryptocurrency. This study used analytical descriptive analysis. The legal materials used were secondary legal materials. Legal material collection techniques used secondary data or literature studies. This research was analysed qualitatively after the secondary data or literature was analysed using the theories to draw conclusions.

## C. RESULTS AND DISCUSSION

### 1. Crypto Asset Legal Status

The growth of investment in crypto assets promotes the advancement of Indonesia's digital economy. Legally, crypto assets can be traded on futures exchanges in Indonesia. As stated in Article 1, point 7 of the CoFTRA Regulation No. 5 of 2019, which governs the technical requirements for organizing the physical market for crypto assets on futures exchanges, crypto assets are intangible digital commodities using cryptography, peer-to-peer networks, and distributed ledgers to regulate the creation of new

units, to verify transactions, and to ensure secure transactions without external interference. In Indonesia, crypto assets are commonly referred to as cryptocurrencies, but they cannot be used as a form of payment. The most well-known virtual currency in the digital realm is Bitcoin.

Bitcoin is a virtual currency that functions for payments like money in general. It is decentralized in nature or completely controlled by its users without the intervention of certain parties. Bitcoin can only be obtained through the mining process or mined by a specific tool, and after that, it can only be used for buying and selling between users (Inozemtsev, 2020). Buying and selling transactions can be performed directly between users or through a buying and selling exchange called the Exchange. The first Bitcoin exchange was the New Liberty Standard when Bitcoin had a price of \$0.0007 in 2009. At that time, Bitcoin transactions were buying and selling, and there was no use in paying for goods and services. In its development, Bitcoin was eventually used as a means of payment for various goods and services.

The study conducted by Teguh Wisnu Wardhana and Yudho Taruno Muryanto shows that the first Indodax website, which facilitates bitcoin transactions, adheres to the principles of contracts and the legal provisions outlined in the Civil Code, as well as the regulations set forth in Government Regulation No. 82 of 2012 on the implementation of electronic systems and transactions and the provisions of Law No. 11 of

2008 on information and electronic transactions. In Indonesia, the buying and selling of Bitcoin now have official recognition and legal support through the issuance of the Commodity Futures Trading Regulatory Agency Regulation No. 5 of 2019 on the Technical Provisions for Organizing the Physical Crypto Asset Market on Futures Exchanges. This law covers various aspects such as the procedures for buying and selling Bitcoin, the requirements for establishing a physical market for digital assets or exchanges, and dispute resolution. The legal protection for Bitcoin transactions encompasses various aspects such as privacy, the validity of the parties involved, the purpose of the transaction, and the obligations of the parties involved (Wardhana, & Muryanto, 2019).

Reviewing crypto assets as digital assets that can be traded on futures exchanges proves that these crypto assets have high economic value and are of interest to the public. There are several parties involved in buying and selling crypto assets, i.e.:

- a. Physical traders of crypto assets; the parties obtaining the approval from the Head of CoFTRA to carry out transaction activities related to crypto assets, both on their behalf and/or facilitating crypto asset customers;
- b. Crypto asset customers; the parties who use the services of physical crypto asset traders to buy or sell crypto assets traded on the physical crypto asset market;

c. The crypto asset storage manager is a party obtaining the approval from the head of Bappebti to manage crypto asset storage areas to store, maintain, supervise, and/or transfer crypto assets.

Cryptocurrency is a digital currency system that operates similarly to traditional currency, enabling users to make virtual payments for business transactions. In development of cryptocurrency, it is a substitute currency that makes it easier for people to do online transactions; even cryptocurrency has been used as a virtual payment (Dang, 2019). A number of countries facilitate cryptocurrency to make daily payments and recognized it as a legal asset. For example, Japan is known for being one of the most supportive countries in Asia when it comes to cryptocurrencies. Bitcoin and other digital currencies are recognized as the forms of legal tender and asset. The regulation of cryptocurrency in Japan falls under the jurisdiction of the Financial Services Agency, which has the authority to control the Yen currency. The Japanese Payment Services Act provides legal norms for payment services and fully recognizes crypto assets as a legitimate method of payment. Therefore, there are no limitations on owning, trading cryptocurrencies and Fiduciary Collateralizing (Cointelegraph, 2022). In Singapore, trading and ownership of cryptocurrency are legitimate under national laws. The country is famous for initiatives to advance blockchain technology and creative applications of

cryptocurrencies for practical purposes. Companies wishing to join in the cryptocurrency activities must satisfy the licensing requirements specified under the Payment Services Act 2019. To obtain a license, companies must apply to the Monetary Authority of Singapore, to have their headquarter in Singapore, and to adhere to rules of Anti-Money Laundering and Counter-Financing Terrorism (Cointelegraph, 2022). Canada is a crypto-friendly country which even considers a budget by the Canada Revenue Agency for tax purposes. It is the first nation to approve funds of exchanging and trading bitcoin, several of which are now traded on the Toronto Stock Exchange. Crypto exchanges are legally determined as money service businesses under the Proceeds of Crime and Terrorist Financing Act.

Transactions for buying and selling virtual currency on exchanges are similar to buying and selling shares. The difference is the ease of registering to become a member or member of an exchange because this finally buys and sells virtual currency to get a lot of members in a reasonably short time. With the entry of so many members, the volume of transactions will also increase, eventually increasing drastically with a value reaching billions of US dollars (<https://www.blockchain.com/id/stats>). The other difference is that stock exchanges have clear legal basis and protection, while bitcoin exchanges are sometimes not bound by law at all (Wardhana, & Muryanto, 2019).

## 2. Crypto Assets in Vietnam

The development of a legal framework for managing virtual assets, cryptocurrencies and e-currencies in Vietnam, Prime Minister Phuc signed a decree in August (Andre, 2022). This allows the government to tax cryptocurrency businesses, to generate revenue from the sector, and to regulate the growth, acceptance, and use of cryptocurrencies as acceptable forms of payment in Vietnam. However, the quickly growing crypto asset sector is being abused by scammers who play, leading to the collapse of the sector. Investors lose money, even low-income players who engage in gambling because they harbor lofty expectations. As a result, the State Bank of Vietnam, or SBV, declared on 30 October 2017, that utilizing cryptocurrencies in Vietnam as a means of payment would not be regarded as a legitimate form of money. Since then, the SBV has released a number of laws to make sure that the Vietnamese economy does not once again adopt cryptocurrencies as a means of payment. Most recently, SBV last week issued a directive to representative offices of foreign banks, payment intermediary service providers, and bank card issuing organizations on the restriction of cryptocurrency transactions. The language of suspicion used in this order concealed cryptocurrency and associated them with crimes like money laundering and supporting terrorism. It cautions pertinent entities to examine, keep track of, and closely examine all transactions to make sure that they are stopped when they appear to

include illicit behaviour, including cryptocurrency. Like Covid-19 before it, it is an initiative that descends from the highest levels of government to the public.

Lisa Prodent stated that cryptocurrencies are intangible and pose a challenge to state authorities, such as state-run banks as they have no control over the crypto system. The government is also highly concerned about the risk of speculation and manipulation, which could greatly impact the national economy. Due to the swift fluctuations of virtual currencies and widespread lack of understanding, the legislative process has been reactive, leading to legal gaps globally. However, these legal loopholes are dangerous, and to minimize losses from cryptocurrencies, Vietnam must take action (Prodent, 2021).

Cryptocurrencies are not mentioned in Vietnamese legislation as legal money or recognized as foreign assets or currencies. Bitcoin and other cryptocurrencies are specifically listed by the State Bank of Vietnam as being forbidden for use in trade. According to it, Article 105 of the Civil Code 2015 does not determine that cryptocurrencies are a type of asset. Specifically, according to Circular 5747/NHNN-PC of the State Bank of Vietnam, Bitcoin and other similar virtual currencies are not legal monetary and not a legally recognized means of payment in Vietnam under current regulations on currency and banking. Acts of issuing, supplying, or using illegal means of payment are punishable with

finances ranging from VND 150 million to VND 200 million (approximately from US\$ 6,250 to US\$ 8,330) under Law on Handling of Administrative Violations, or face criminal liability for violating provisions on banking activities and other activities related to banking under Article 206 of the Criminal Code of 2015 (Faridah, 2018). Although it is currently tolerated, holding, trading, and investing in cryptocurrencies are neither illegal nor legal.

A \$100 million fund was announced in March 2022 by Bit World Investments Limited's cryptocurrency exchange AEX Exchange to help Vietnam's blockchain ecosystem (Cision, 2022). In June 2022, the Vietnam Blockchain Association teamed up with Binance, the top cryptocurrency exchange globally, to work on the research and implementation of blockchain technology and the development of human resources through training (Globe Newswire, 2022). Vietnam tops The 2021 Global Crypto Adoption Index by Chain Analysis, showing a remarkably high level of usage by individuals in the country (Chainalysis, 2021).

Vietnam is leveraging blockchain technology in various industries. One of the applications is the National Qualifications Archive system, which records and verifies data in the agriculture industry, from seed planting to processing. In addition, the Ministry of Education and Training has mandated all provincial universities, academic education and training departments to store and secure all Vietnamese diplomas and certificates in this blockchain

system. With the Covid Pass, individuals can securely store their COVID-19 test results, personal information, data on SARS-CoV-2 viral analysis, and certifications in a secure mobile app that protects against tampering. Techcom Securities also plans to utilize blockchain technology and smart contracts for bond transactions (Trong, Truong, & Lai, 2022). However, the most significant use case of blockchain technology is crypto tokens.

Since blockchain is a new technology, it is challenging for the average person to comprehend technically. Blockchain is already employed in e-government services, such as the National Qualifications Archive system, which stores and secures all Vietnamese diplomas and certificates. There are no legal issues with the technology in Vietnam. Legal concerns arise in Vietnam only when this technology is used to produce a distinct kind of crypto coin (Quang, Hang, & Duong, 2022). The non-recognition of the legal value of cryptocurrencies in Vietnam impedes the implementation and execution of smart contracts. The core components of smart contracts are encrypted, with payments made through the encrypted currency instead of cash. Although the Law on Electronic Transactions 2005 implicitly recognizes the legal value of smart contracts through the definition of automatic electronic transactions in Clause 7, Article 4. This is further guided under Decree No. 52/2013/ND-CP implemented by Government on electronic commerce, which acknowledges the binding and



execution of contracts through an automatic information system with equivalent value to traditional contracts. However, the fact showed that the contractual parties failed to engage in any smart contracts due to the non-acceptance of cryptocurrency transactions under national laws (Ly, 2022). It is important to compare the rules regarding crypto in Vietnam with the rules regarding crypto in Indonesia, with the aims to make crypto legality clearer and can be used as a fiduciary collateral.

### **3. Legal Construction of Crypto Assets as Objects of Fiduciary Collateral**

Developing the law of objects in the digital era provides benefits and convenience in economic activities through electronic media. The principles of property law are: transferable, absolute, *droit de suite*, and having economic value. Crypto assets are intangible objects as regulated in Article 499 of the Civil Code. Someone who buys crypto assets will have material rights as long as there is leverage in the ownership of crypto assets in electronic media, which is named the account after registration. An account is the data on a person or a person's virtual identity in the digital world. This account implies the ownership of someone who has registered crypto assets. Several parties are involved in owning crypto assets: managers registered with CoFTRA, users, and service providers in digital media.

Crypto assets are included as the commodities that can be traded on the physical

market for crypto assets on futures exchanges, considered as physical markets carried out using electronic means facilitated by futures exchanges or electronic facilities owned by physical traders so that crypto assets can be traded. Therefore, crypto here is an intangible item which, when referring to article 503 of the Civil Code, has the items that have a body and those that do not. However, of course, in this case, creditors should be more careful because of the very high risk of crypto assets, such as price fluctuations and other risks.

Crypto investment is a digital asset providing excellent opportunities for Indonesia's digital economy growth. Crypto assets include intangible assets in the form of digital coins that have high economic value. The material that may be transferred by buying and selling or used as collateral for credit, in this case, a fiduciary collateral, due to an agreement, is included in the category of intangible assets known as cryptocurrencies. According to the logic behind the legislation of fiduciary collaterals, burdened objects have a mechanism in place to award credit for the items that will eventually be utilized as objects of fiduciary collaterals. The credit agreement begins with parties' agreement, as stipulated in Article 1320 of the Civil Code regarding the legal terms of the agreement, to charge the object as a fiduciary collateral.

Regarding crypto assets as objects of fiduciary collaterals, credit agreements made peer-to-peer must apply the terms of the fiduciary

collateral agreement as stipulated in Law Number 42 of 1999 concerning Fiduciary Collaterals. The table below shows the legal construction of regulating crypto assets as objects of fiduciary collaterals in the future.

Table.1.1. Legal Construction of Crypto Assets as Fiduciary Collateral Objects

No	The substance of the Fiduciary Collateral Law	Crypto Assets as Fiduciary Collateral Objects
1	<p>Legal basis:</p> <p>Article 1, paragraph 1, the act of handing over ownership rights to an object through trust is referred to as fiduciary, as the object being transferred is under the control of the owner.</p>	<p>Legal basis:</p> <p>Regulation of the Commodity Futures Trading Regulatory Agency Number 5 of 2019 concerning Technical Provisions for Organizing a Physical Crypto Asset Market on Futures Exchanges.</p> <ul style="list-style-type: none"> <li>- Crypto assets, if they are to be used as fiduciary collateral objects, then according to fiduciary theory, the delivery is in trust, the object transferred is still in the control of the owner of the object (crypto asset), documents of ownership of the submitted crypto asset;</li> <li>- Crypto assets are movable objects that are intangible, abstract objects but have economic value.</li> <li>- Owners of crypto assets have been registered as members who have been provided the form of an electronic contract for bitcoin transactions registered on websites such as the Indodax website;</li> <li>- Proof of ownership of crypto assets submitted in the form of documents in either hard copy or softcopy form issued by the Depository Manager as proof of ownership (Article 1 point 11 of the Commodity Trade Supervisory Agency Regulation Number 13 of 2022 concerning Amendments to BAPPEBTI Regulation Number 8 of 2021 concerning Guidelines for Organizing Crypto Asset Physical Market Trading on Futures Exchanges;</li> <li>- A wallet is a medium used to store Crypto Assets in the form of coins or tokens</li> </ul>

		<p>(Article 1 number 13 CoFTRA Regulation Number 13 of 2022)</p> <ul style="list-style-type: none"> <li>- The Crypto Asset List Assessment Team, as regulated in Article 5, paragraph 2, consists of: a. CoFTRA; b. Association in the field of Crypto Asset trading; and c. Businesses in the field of Crypto Asset Physical Market Trading who have been registered with CoFTRA assess the crypto assets that will be used as collateral.</li> <li>- Lending banks cooperate with Bappebti regarding credit financing with crypto asset collaterals.</li> </ul>
2	<p>Fiduciary collateral object credit agreement:</p> <ul style="list-style-type: none"> <li>- requirements for a valid credit agreement (Article 1320 of the Civil Code); made by the Debtor and Creditor parties can be made privately</li> <li>- fiduciary collateral credit agreement (Objects of collaterals for movable objects, both tangible and intangible) are drawn up with a notarial deed</li> </ul>	<p>A credit agreement in which crypto assets are used as fiduciary collateral objects is carried out between the Bank as the holder of the fiduciary collateral and the owner of the crypto asset as the fiduciary collateral provider (Debtor), made through a network or media wallet.</p>
2	<p>The parties:</p> <ul style="list-style-type: none"> <li>- Fiduciary givers, namely individuals/corporations/object owners (Article 1 paragraph 5)</li> <li>- Fiduciary recipients are individuals/corporations as fiduciary collateral holders.</li> </ul>	<p>Parties: Giver and Recipient can be individuals and corporations/banks.</p>
3	<p>Article 1, paragraph 11 paragraph: objects burdened with fiduciary collaterals must be registered—online registration (PP Number 15 of 2015).</p>	<p>Fiduciary Collateral Registration with crypto asset collateral objects through the Supervisory Agency, in this case, CoFTRA.</p>
4	<p>The mechanism of granting credit with a fiduciary collateral objects, there are several stages: The granting stage, the stage of providing fiduciary collaterals with a notarial deed, the registration stage, issuing a fiduciary certificate</p>	<p>The mechanism for granting credit with fiduciary collateral objects in which crypto assets are collateral objects, there are several stages:</p> <ol style="list-style-type: none"> <li>1. The stage of giving between the debtor and the creditor, through the network or CoFTRA,</li> <li>2. Registration stage through online CoFTRA, a fiduciary collateral certificate is issued,</li> <li>3. In this case, after going through the process from CoFTRA, the Notary makes a notarial deed of fiduciary collateral, then registers it online, at the</li> </ol>

		Ministry of Law and Human Rights issues a fiduciary collateral certificate.
5	Fiduciary Collateral Certificate: Copy of Fiduciary Register Book Article 14 paragraph 1 "For the sake of Justice Based on the One and Only God" has executive powers.	Fiduciary Collateral Certificate: Copy of Fiduciary Register Book Article 14 paragraph 1 "For the sake of Justice Based on the One and Only God" has executive powers.
6	The contents of the Collaterals Deed in Article 6 must be included: - The date the fiduciary deed was made - The identity of the recipient and fiduciary holder - Main agreement data guaranteed by fiduciary - Description of objects that are the object of fiduciary collaterals - Collateral value - The value of objects that are the object of fiduciary collaterals.	The contents of the Collaterals Deed in Article 6 must be included: - The date the fiduciary deed was made - The identity of the recipient and fiduciary holder - Main agreement data guaranteed by fiduciary - Description of objects that are the object of fiduciary collaterals - Collateral value - The value of objects that are the object of fiduciary collaterals.
7	Fiduciary Collateral Execution Article 29, if the debtor defaults, then the object burdened by the fiduciary collateral object can be executed utilizing executorial title, underhand selling, or sale by auction.	Fiduciary Collateral Execution Article 29, if the debtor defaults, then the object burdened by the fiduciary collateral object can be executed utilizing executorial title, underhand selling, or sale by auction.  If the credit is bad, the execution of fiduciary collaterals objects with crypto assets as fiduciary collaterals are done through CoFTRA.
8	Execution of Fiduciary Collateral objects after Constitutional Court Decision Number 188/PUU-XVII/2019 Constitutional Court Decision Number 71/PUU-XIX/2021	Suppose there is an agreement between the Creditor and the Debtor, regarding the debtor's default. In that case, the execution mechanism can be executed at CoFTRA as Supervisor of Futures Trading, including crypto assets.

Source: Secondary data processed by researchers, 2023.

Table 1.1 above shows that actually by following the provisions outlined in Law 42 of 1999 related to fiduciary collaterals, the CoFTRA Regulation as the governing body for crypto assets, and Law 11 of 2008 on Information and Electronic Transactions and Government Regulation 82 of 2012 on the implementation of electronic systems and transactions, crypto assets can serve as objects for fiduciary collaterals in accordance with Consumer Protection Law No. 8 of 1999.

#### D. CONCLUSION

Business development in the digital era allows many ways to facilitate profitable economic activities. Cryptocurrency is a digital asset that can be traded on the Futures Exchange. CoFTRA is the agency that oversees the implementation of crypto assets. Parties involved in using crypto assets are a structure built in the process of ownership of crypto assets. Based on the theory of object law, crypto assets as intangible objects can be transferred due to sale and purchase

agreements or collateral agreements.

The legal construction of regulating crypto assets as objects of fiduciary collaterals departs from the understanding that crypto assets are virtual currency circulating on the internet network. As a virtual currency, crypto assets have economic value and can be used as collateral objects, in this case, fiduciary collaterals. With several stages or mechanisms for granting credit with crypto asset collateral objects, in legal substance, it refers to Fiduciary Collateral rules, CoFTRA rules, Law Number 11 of 2008 concerning Information and Electronic Transactions, and Law No. 8 of 1999. These provisions must synergize to provide protection and legal certainty for the parties involved in the credit agreement by making crypto sets an object of fiduciary collateral.

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