

Regulation in Preventing Fraud that Occurs Through Digital Physical Gold Trading by Integrating Technology and Human Approaches

✉ Hans Gilbert Ericsson

Legal Counsel, PT Asuransi Kredit Indonesia
Business Law, Gadjah Mada University, Jakarta, Indonesia

ARTICLE INFORMATION

Article History:

Received September 30, 2022

Revised December 09, 2022

Accepted June 18, 2023

DOI:

[10.21532/apfjournal.v8i1.297](https://doi.org/10.21532/apfjournal.v8i1.297)



This is an open access article under
the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) License

ABSTRACT

This paper aims to identify and describe the laws that apply to developments in physical digital gold transactions carried out on e-commerce platforms in Indonesia, as well as to examine and analyze the legal provisions that need to be refined to prevent acts of fraud. This research is a juridical-empirical research, which is a research that adheres to the object of research based on the behavior of the community as a result of interactions with available norm systems such as laws and regulations as well as actions that form legislation. Without ignoring the fact that Indonesia is experiencing growth in digital transactions, it is also accompanied by an increase in the level of corruption, in the other hand, there are no supporting empirical facts, as such, it does not implied an absence of fraud in digital gold transactions. Therefore, the author will provide his perspective, aim and recommendation for better fraud (corruption) prevention in legal aspect.

Keywords: Fraud, Corruption, Digital Gold.

1. INTRODUCTION

The presence of Covid-19 in 2019-2020 has resulted in massive social gap between the poor and the rich society, however, the certain event happens simultaneously and constantly is the increase in users and e-commerce transactions in Indonesia as one of the quick and ease transaction options.

Digital social-economic growth in Indonesia. Technological developments

in daily human activities have undergone changes with the support of the internet, and have an impact on the world economic system as a digital economy, through the convergence of telecommunications and information technology, thus outturn to alternatives implementation of electronic business activities. Indonesia as a developing country that has experienced rapid growth in the field of e-commerce as much as 78%, and had become a country

How to Cite:

Ericsson, H. G. (2023). Regulation In Preventing Fraud That Occurs Through Digital Physical Gold Trading By Integrating Technology And Human Approaches. *Asia Pacific Fraud Journal*, 8(1), 183-194. <http://doi.org/10.21532/apfjournal.v8i1.297>.

✉ Corresponding author :

Email: hansgilbertericsson@rocketmail.com

Association of Certified Fraud Examiners (ACFE)

Indonesia Chapter

Page. 183-194

with the highest growth of e-commerce transaction in the Association of South East Asian Nations (ASEAN) and the world. Based on a report from the Central Statistics Agency (Badan Pusat Statistik), in general there has been an increase in e-commerce business income due to the effects of Corona Virus Disease 2019 (Covid-19), the average increase in operating income is around 45% in each province throughout 2020. Ease of use and convenience of digital technology, has indicated growth in digital investment due to various factors.

The dynamics of gold. One of the investment mediums is gold and silver as widely accepted commodities, which have experienced significant price increases in 2019 and 2020. The price increase occurred due to the increasing number of Covid-19 outbreaks, geopolitical shocks, economic dynamics, the number of gold commodities that limited, the influence of supply and demand, inflation, and as a safe haven media during world economic turmoil, and price increases are in line with fluctuations, whereas the price of gold has reached the highest compared to corporate bonds, government bonds and mutual funds, therefore, gold is increasingly demanded.

Fraud rate in Indonesia. The most frequent ground why some people commit fraud is known as the Fraud Triangle, namely financial pressure, rationalization, and opportunity. Reflecting to the fact that an act of fraud in Indonesia that has been carried out at the utmost is corruption, with a percentage of 64.4% that is being misused by state authority, the 28.9% is being misused in the company assets/wealth, and financial statement fraud taking percentage of 6.7%, that will be elaborated further in the literature review and hypothesis section. In the other hand, there is an absence of digital gold transaction record juxtaposed with the increase of corruption rate, nonetheless more or less the increase of corruption rate must have takes part in the digital transaction (in specific digital gold transaction).

Digital gold regulation. In examining the background of digital gold regulation in Indonesia driven by consumers complaints submitted to the Financial Service Authority (OJK) Investment Alert Task Force regarding allegations of digital gold trading that is suspected having no legal license and might leads to illegal gold trading investment activities. The Commodity Futures Trading Regulatory Agency first release physical digital gold trading in early 2019 along with abrupt amendment in late 2019.

Besides the mentioned fact, digital gold transactions have not been detected nor traced in Indonesia, thus providing an opportunity for an individual having either element of the Fraud Triangle in carrying out fraud, and without prejudice to the given empirical fact, the author will focus on the digital gold transactions in legal comprehensive manner, whereas in the current situation, digital gold transaction can be implemented with unlimited transactions, without adequate Know Your Customer (KYC) arrangement, and without being traced, hence, it might lead to another legal fraud implications. The author therefore will raise the issue regarding:

Regulation in preventing fraud that occurs through digital physical gold trading by integrating technology and human approaches

The main objectives of this paper is to identify and describe the legal challenges faced by the government towards development in physical digital gold transactions carried out on e-commerce platforms in Indonesia related to fraud, along with input for the Indonesian government to polish the digital gold regulation and implement a proper supervision in preventing any future fraud.

2. LITERATURE REVIEW AND HYPOTHESIS

Gold is a metal that has a high value in terms of price and use, is categorized as precious metal, tangible, acts as a wealth

asset, has been recognized for centuries, is a movable and tangible object according to the Civil Code in Article 509 to Article 511 regarding movable objects, because the delivery of gold objects can be carried out by real delivery or *feitelijke levering* and automatically the delivery is legally recognized. In order to identify and analyze the potential fraud that might occur in future, the following is the legal standing of the parties involved in carrying out digital gold trading transactions:

- a. Digital gold physical traders, known as legal entities that have succeeded in obtaining approval from the Head of Bappebti in carrying out digital gold transaction activities on their own behalf or to facilitate digital gold transactions.
- b. Participants of the physical digital gold market as parties who act both sellers and buyers of gold on the futures exchange media, are therefore obliged to comply with the provisions as stipulated by the futures exchange.
- c. Digital gold customers are parties who play a role in using the services of digital gold physical traders to buy or sell gold as traded on the physical digital gold market.
- d. Futures exchange is a legal entity that provides, and operates systems and facilities in carrying out commodity buying and selling activities based on sharia derivative contracts, futures contracts and other derivative contracts.
- e. The clearing house, as a business entity that provides and operates facilities so that clearing activities can be carried out, provides guarantees for the completion of physical market transactions and futures traders.
- f. The administrator of the gold depository is the party that carries out the management gold sanctuary, maintained, supervised until the delivery of gold.
- g. Digital gold physical trading intermediary as a party that has successfully obtained approval

from Bappebti to perform its role in channeling gold transactions (buying and selling activities) based on orders issued by digital gold participants, as regulated in Article 1 number 11 of the Commodity Futures Trading Regulatory Agency Number 4 of 2019 concerning Technical Provisions for the Implementation of Digital Gold Physical Markets on Futures Exchanges (Bappebti Regulation 4/2019).

Bappebti hold its role in supervises several aspects of physical digital gold trading, in the form of supervision of financial integrity such as paid-in capital and user funds, supervision of digital gold transactions through the matching scheme required by legislation, to the balance of gold ownership. Based on Bappebti Regulation 4/2019 as modified Commodity Futures Trading Regulatory Agency Number 13 of 2019 concerning Technical Provisions for the Implementation of Digital Gold Physical Markets on Futures Exchanges (Bappebti Regulation 13/2019), acknowledge 2 models of digital gold matching in performing the transaction, namely matching on digital gold physical traders and matching on futures exchange.

Hereby the author will specify and elaborate the models matching on digital gold physical traders, in consideration that is known to be a new method of transaction in Indonesia compared to transaction through futures exchange. The following are the requirements that must be complied by the physical digital gold traders when carrying out a transaction mechanism through matching at physical digital gold traders, at least comply the following stages:

- a. Initially, physical digital gold traders were obliged to place a certain amount of their gold in the storage manager.
- b. The administrator/manager of the gold depository provides information to the futures clearing institution regarding the amount of gold owned by physical digital gold traders.

- c. The information that has been obtained and recorded with the futures clearing house is then relayed back to the physical digital gold trader for the amount of gold that can be traded or sold by the physical digital gold trader.
- d. Digital gold customers are already able to carry out transactions, such as but not limited to selling, buying, instalments, printing gold and other transactions available at physical digital gold traders.
- e. Funds that are successfully transacted by customers will go to a separate account belonging to a physical digital gold trader. The account is controlled by a futures clearing agency.
- f. Furthermore, futures clearing institutions currently function as DvP or Delivery versus Payment, such as crosschecking funds on accounts and holding customer balances, recording gold balances and transferring funds, carrying out requests for gold depository managers to adjust gold balances, as well as debiting and crediting customer account.

With the presence of the physical digital gold transaction mechanism regulation, it aims to provide:

- a. Legal certainty in carrying out physical digital gold trading transactions in Indonesia.
- b. Provide legal protection for Indonesian consumers.
- c. Preventing the use of physical trading of digital gold for purposes that are contrary to the law, as mandated in the criminal law of money laundering and criminal acts of terrorism financing.
- d. Creating safe, affordable and easy investment advice.
- e. Providing facilities for the development and growth of the digital gold market industry through futures business.

However, the forth element of gold transaction mechanism aim regarding creating safe, affordable and easy investment advice is not followed by in-depth standard procedures in the

transaction mechanism, namely the application of KYC. The presence of KYC plays an important role in preventing fraud (as implemented by Banking Law), however, currently there is no legal obligation for digital gold traders to carry out KYC as specified in the Banking Law. Based on the KYC regulations for non-bank financial institutions were first regulated in Decree of the Minister of Finance Number 45/KMK.06/2003 concerning the Application of Know Your Customer Principles for Non-Bank Financial Institutions (PMK 45/2003), in its preamble stating the regulation regulation is created to for non-bank financial industry that is align with international standards and guarded against the potential for being utilized for financial crimes, thus, it is necessary to apply KYC principles and report suspicious transactions.

Accordingly, the implementation of the KYC principle takes an essential role in identifying, limiting, and controlling the risk of bank assets and liabilities as well as helping to maintain the reputation of the company by reducing the possibility to be used as means or targets for financial crimes/fraud. Notwithstanding the importance of PMK 45/2003 establishment, Financial Transaction Reports and Analysis Center or *Pusat Pelaporan dan Analisis Transaksi Keuangan* (FTRAC) described the importance of KYC in order to obtain information about the customer or potential customer, the origin and purpose of using the funds, in tracing the circulation of money to be laundered by the perpetrator, so that if it is discovered that the customer is involved in money laundering, the KYC data can be used to the law proceeding enforcement of money laundering crimes that cannot be separated from acts of fraud.

Referring to Bappebti Regulation 4/2019, there is no obligation to implement KYC principal in physical digital gold traders, in contrary, the legal subject or known as digital gold customer might deposit their gold balance for an indefinite

period of time and at an unlimited amount without prejudice of an act of fraud, since there is an absence of KYC, it might lead to a further implication, such as but not limited to fraud, anti-money laundering and anti-terrorism financing, furthermore, Bappebti Regulation does not imply to foreign legal entity digital gold traders. In facing these facts, the author will carry out in-depth legal review based on Bappebti Regulation that shows any potential flaws in the performance of fraud, hence the research will not be estranged from the enhancing the digital gold transactions in the aspect of practical and technical use.

As stated by Terracino, the classification of corruption as a crime necessitates the use of extraordinary means to counteract it, ironically, in 2020 when the world was hit by Covid-19, the corruption rate has increased to 2,225 cases with state losses reaching IDR 18.6 trillion. With the great number of corruption cases, the action taken against corruption cases carried out by Law Enforcement Institutions throughout 2020 only reached 20 percent and was ranked E or very bad. In fact, in the year 2010, Indonesia was entitled as the most corrupt country out of 16 Asia Pacific countries that became the investment destination for business, hereby explained the Indonesia ranking data of corruption over 180 countries based on the Corruption Perception Index (CPI) released by Transparency International:

- a. In 2012, Indonesia's ranking dropped to 118.
- b. In 2013, Indonesia's ranking improved by increasing the ranking to 114.
- c. In 2014 it became 107.
- d. In 2015, Indonesia's ranking rose quite significantly to rank 88.
- e. In 2016, Indonesia's ranking dropped to 90.
- f. In 2017, Indonesia's ranking again declined with ranks 96.
- g. In 2018 Indonesia's ranking experienced increase to rank 89.
- h. In 2019, Indonesia was ranked 85th and is getting better compared to 2018.

- i. In 2020, Indonesia's ranking experienced a sharp decline to rank 104.
- j. Until 2021, Indonesia experienced a slight improvement in the level of corruption, rank 96.

Based on the abovementioned, it is understood that the rate rank of corruption during Covid-19 in 2020 has increased for 22% compared to year 2019, such significant increase of corruption during Covid-19 shall be speculated as great opportunity for those entitled an authority, and not committed by middle-low class society employee (There are 29.12 million people or 14.28 % of the working age population affected by Covid-19).

It is quoted that The fight against corruption must be waged more effectively, requiring coordinated efforts from all relevant departments, local governments, institutions, other stakeholders, and the Corruption Eradication Commission in order to create a just and prosperous society, as stated in Presidential Regulation Number 54 of 2018 concerning National Strategy for Corruption Prevention (PR 54/2018), which contains actions and national strategy to prevent corruption. Based on its understanding, as a guide for ministries, institutions, local governments, and other stakeholders in implementing the national strategy, which is the course of national policy that contains the focus and targets for combating corruption anti-corruption actions in Indonesia. In the author perspective, it can be interpreted that the goal of preventing corruption can be adopted by Bappebti as the institution authorized and liable to create digital gold regulations.

Hereby attached other related regulations in fraud-corruption, that can be identified in:

- a. Law 3/1971 that has been adjusted to Law 28/1999 which contains regulations regarding corruption, collusion and nepotism, all of which are despicable acts for state administrators.
- b. Law 20/2001 jo. Law No. 31/1999 on the Eradication of Corruption Crimes.

This regulation explains the definition of corruption which is defined in 13 Articles, and mapped into 30 kinds, which are then divided into 7 types: financial losses, extortion, bribery, satisfaction, conflicts of interest in procurement, and office theft. The aforementioned law has served as the nation's legislative framework for combating corruption.

- c. GR 71/2000, this provision contains an invitation from the government to the general public to help end corruption, including offering suggestions and viewpoints, as the author has done and stated in this paper.
- d. Law 30/2002 regulates the issue of increasing synergy between the Corruption Eradication Commission, the police and the prosecutor's office for handling corruption cases.

Whilst performing research on the correlation between fraud and digital gold trading in Indonesia, the author finds no research documents nor exact numbers demonstrating the percentage of fraud performed in digital gold transaction, thus the author describes the number of corruption compared with digital economic growth figures as one of the references and empirical methods to obtain an overview of the potential fraud, especially in corruption (Table 1).

The purpose of comparing the corruption rate and digital economic growth in Indonesia is to reflect the increase of e-commerce with the increase of corruption rate transaction since 2020 to 2021 consisting of 72%. Moreover, the author is not able to find or receive

any trusted survey nor analytical data consisting the rate of corruption conducted in the e-commerce transaction or digital gold transaction in specific. Henceforth, these are the facts and conclusion based on the data:

- a. The corruption rate in the year 2020 is the highest since 2015;
- b. The corruption rate in the year 2021 is the highest since 2017;
- c. The corruption rate in the year 2020 and 2021 is in the event of pandemic Covid-19;
- d. Digital economic growth in 2019 is the largest and fastest growing internet economy in the digital economy zone;
- e. Online shoppers in Indonesia increased from 75 million customer before Covid-19 to 85 million customer during the pandemic in 2020; and
- f. The growth in the number of e-commerce transactions was greater than the value of transactions of four years ago in Indonesia, the value of transactions through electronic money has increased by 49% or as much as IDR 305.4 trillion and digital banking transactions recorded a high 45.64% increase to IDR 39.84 trillion.

Realizing the number and rate of corruption along with digital economic growth in Indonesia has increase abundantly, hence, the author believe that such increase more or less contributed in digital gold trading. The firm reason for the absence of data collection on digital gold transactions is owing the fact of an absence of government supervision upon physical digital gold traders. Taking into considerations, these are the high level

Table 1. Corruption Rate

Year	Corruption Rate (over 180 countries)*	Digital Economic Growth in Indonesia
2019	85	+ 88% since 2015.
2020	104	+ 11% since 2019 or ranks second in the world after Vietnam.
2021	96	+ 72% since 2020 or highest in the world.

* The higher the ranking number, reflects the more corrupt the country.

Source: Processed Data

analysis of digital gold transactions, the author will elaborate its drawbacks in legal aspect without set aside the practical use of the Bappebti Regulation that might reinforce an act of fraud:

- a. Inadequate regulations. The background to the formation of Bappebti Regulation regarding digital gold transaction, began with the occurrence of digital gold trading on Tokopedia platform in collaboration with PT Aurum Karya Indonesia since March 2018, and has succeeded in selling as much as 20kg of gold, at which time, there was no digital gold regulation in Indonesia. Coupled with the numerous complaints from the customer against indications of illegal digital gold and potential indication of illegal gold trading investment activities, thus the Bappebti Regulation 4/2019 was established in early 2019 as a follow-up, which was later amended at the end of 2019. One of the requirement for digital gold trader in Bappebti Regulation 4/2019, is the presence of obligation for digital gold traders to obtain Bappebti permit before carrying out its business activities, however, up to late 2021 there are dozens of digital gold traders circulating in Indonesia, yet none of them acquire Bappebti permit. As of January 2022, only 1 legal entity that has successfully acquired Bappebti permit. This shows the unpreparedness of Bappebti Regulations in providing permit, protection and regulations that are not yet suitable for entrepreneurs, as a result, there is an absence of absolute government supervision of digital gold transactions that occur until 2022, on the other hand, under this basis made up a green light to carry out fraud and money laundering as part of corruption.
- b. Digital gold transaction drawbacks. In executing digital gold transaction by the customer through matching in digital gold traders, the only precondition required is to open a transaction account

at the digital gold trader (as stated in Article 14 paragraph (1) of Bappebti Regulation 4/2019), and without any further elaboration such as the minimum KYC precondition (namely but not limited to taxpayer identity, identity card etc). Moreover, digital gold traders are required to implement the applicable anti-money laundering and prevention of terrorism financing programs, however, currently for the private entity engaged in digital gold is equipped limited with regulations through FTRAC supervision.

- c. Foreign digital gold entity. For the foreign legal subjects who carry out digital gold trading business activities in the territory of Indonesia, there are no any regulations and Bappebti have not regulated physical digital gold traders for the foreign business actors, thus Bappebti regulation only apply to domestic business actors, this can be proven in the Minister of Trade Regulation Number 119 of 2019 concerning General Policy of Trading Physical Articles of Digital Gold on the Futures Exchange (MT Regulation 119/2019) defines business actors as individuals with Indonesian citizenship or businesses that are domiciled and established in Indonesian, whether they are non-legal entities or legal entities.

Apart from the mentioned Bappebti regulation, the principles of formulating regulations based on Indonesia *ius constitutum* are:

- a. The principle of clarity of purpose, which states that each regulation's intended outcome must be clear.
- b. Institutional principles, a designated official who is authorized to make regulations must make each type of regulation. If the rule is made by an unapproved official, it may be revoked or declared invalid.
- c. The principle of conformity between the type, hierarchy, and content of the content, which states that when

creating regulations, care must be taken to ensure that the material is appropriate for the type and hierarchy of regulations.

- d. The principle can be implemented, the idea that each new regulation must consider how well it will work within the organization from a philosophical, sociological, and legal standpoint can be put into practice.
- e. The usability and effectiveness principle, which states that every regulation is created because it is actually required and helpful for corporate governance.
- f. The principle of clarity in formulation, which states that each regulation must adhere to technical standards for the preparation of regulations, systematics, word choice, and clear, understandable legal language in order to avoid a range of interpretations when it is put into practice.
- g. The principle of openness, dictates that information should be made available to work units that have an interest in and are directly impacted by regulations during the planning, drafting, discussing, and ratifying or determining stages as well as during monitoring and review.

3. METHODS

In this legal research, the researcher uses juridical-empirical research. Juridical-empirical research is research that adheres to the object of research based on community behavior as a result of interactions with available norm systems such as laws and regulations as well as actions that form laws and regulations. In this research, there are aspects or roles of the community as parties who carry out physical digital gold transactions and the enthusiasm of the community is shown by the increased use of e-commerce platforms, to the formation of laws and regulations related to consumer protection in the field of physical digital gold trading.

The methodology section typically has the following sub-sections:

- a. Sampling (description of target population, research context and units of analysis; sampling; and respondent profile); and
- b. Data collection

4. RESULTS AND DISCUSSION

The result of data analysis is qualitative analysis, namely library data for analysis in order to obtain results that can be accounted for, because there are various elements of consideration. The data that will be used by the researcher is based on regulations, results or outcomes of implementing regulations on consumers and lawyers who carry out regulations set by the government.

Reporting Research Results

These are the result of the research and findings of the supporting data in relation to the analysis (Figure 1).

DISCUSSION

With regards to the table mentioned above, hereby attached its explanation:

- a. Figure 1: Showing the increase number of e-commerce users in Indonesia from years.
- b. Figure 2: Showing the increase number of e-commerce users in Indonesia before and in the event of Covid-19.
- c. Figure 3: Showing the flow of digital gold transactions through matching in digital gold traders.
- d. Figure 4: Showing the increase of e-commerce transaction in Indonesia.

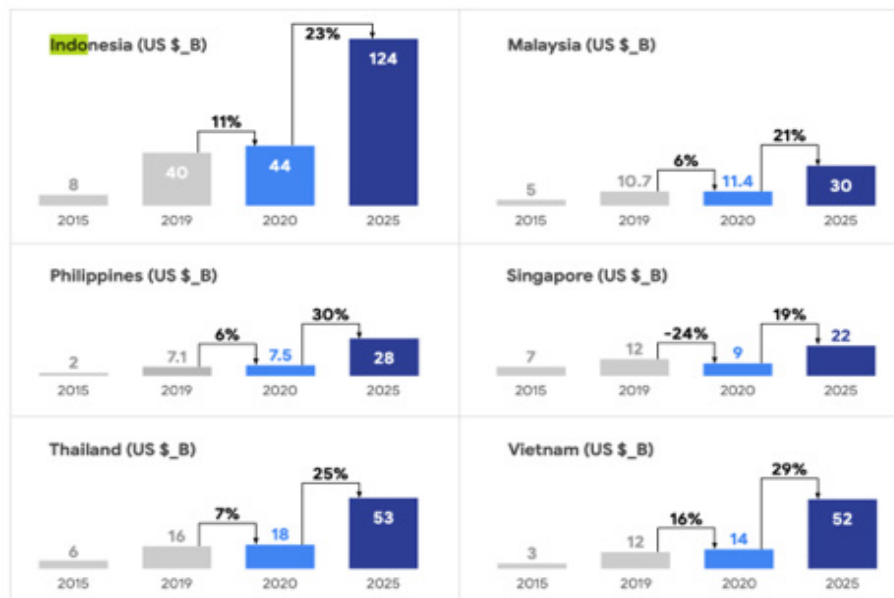
From the Figure, it concludes:

- a. The corruption rate in the year 2020 is the highest since 2015;
- b. The corruption rate in the year 2021 is the highest since 2017;
- c. The corruption rate in the year 2020 and 2021 is in the event of pandemic Covid-19;
- d. Digital economic growth in 2019 is the largest and fastest growing internet economy in the digital economy zone;
- e. Online shoppers in Indonesia increased from 75 million customer

- before Covid-19 to 85 million customer during the pandemic in 2020; and
- f. The growth in the number of e-commerce transactions was greater than the value of transactions of four years ago in Indonesia, the value of

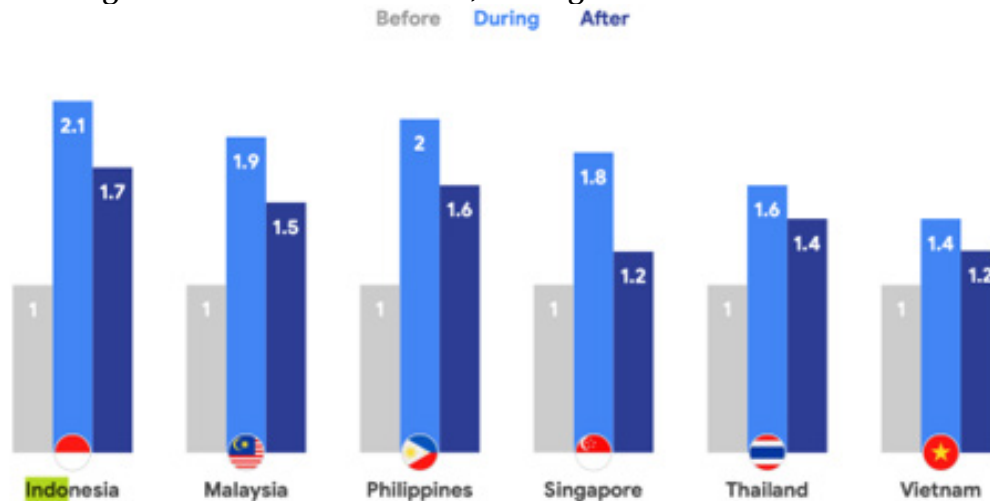
transactions through electronic money has increased by 49% or as much as IDR 305.4 trillion and digital banking transactions recorded a high 45.64% increase to IDR 39.84 trillion.

Figure 1. SEA Internet Economy GMV (US \$_B)



Source: Processed Data

Figure 2. Usage of a E-Commerce Before, During and After Covid-19 Lockdown



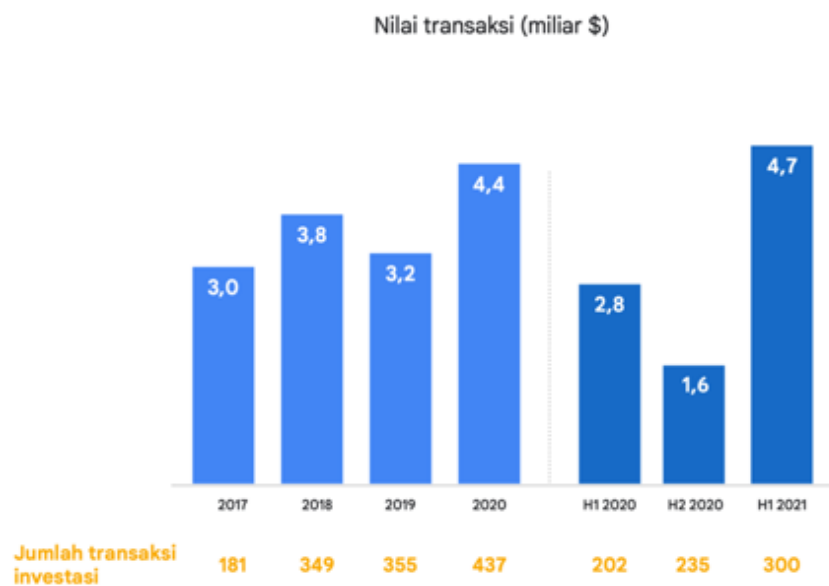
Source: Processed Data

Figure 3. The Flow of Digital Gold Transactions Through Matching in Digital Gold Traders



Source: Processed Data

Figure 4. the Increase of E-commerce Transaction in Indonesia



Source: Processed Data

5. CONCLUSION

An absence of law and regulation for digital gold transaction since the occurrence of a untraced digital gold transaction in the year 2018 has alerted the government concerning the illegal investment transaction that might lead to an outcome of fraud, namely corruption and money

laundering. The establishment of digital gold regulation appear to be hasty and ineffective, whereas within the span period of 8 months after its first establishment the regulation has been amended once, moreover the only company that has succeeded in obtaining Bappebti permit to perform digital gold trading business is 2

years after the enactment of the Bappebti Regulation 4/2019, considering dozens has been running their businesses since 2018. In fact, Bappebti Regulation 4/2019 requires 2 months after the regulation takes effect, the parties who will carry out digital gold trading business activities must have obtained approval from the Head of Bappebti. Hence, the government shall be more comply in implementing the forced regulation and well equipped in realizing the actual condition of digital gold transaction that has increased in recent years lately instead of coupling up with the trend economic after it was faced with abundance of problems nor complain. That digital gold traders who store customer funds are not required to be equipped with KYC as a preliminary requirement with certain stages or minimum precondition, thus this has the potential threat to be misused in carrying out fraud acts. Considering that digital gold consumers might buy digital gold in an indefinite amount and for an unlimited period of time, and are not equipped with a proper fraud indication tracking mechanism, thus, according to the author, it is good if there are specific provisions that require customers to carry out KYC at least as performed by non-bank financial institutions (since there is a deposit of customer funds) that shall be cascaded in the digital gold regulation. In devining the regulation, there is obligation for periodic report to the authorized agencies (Bappebti) on the implementation of digital gold transactions by customer (along with report of separate customer transaction account), however it implies to the digital gold entity that is 'willing' to obey and comply to the Bappebti requirements, nonetheless FTRAC has its ability to carry out supervision at anytime deemed necessary. The absence of periodic report might resulted in the unidentified act and outcome of fraud, thus the government shall engage at least the role of FTRAC or other authorized agency in supervising digital gold transaction. These forthmentioned conclusion and recommendation is in

mirror juxtaposed to the principle of making laws and regulations, there must be a principle of clarity of purpose, in this case, there is an absence of clarity purpose in Bappebti Principle 4/2019 that focuses more on business aspects and does not focus on preventing fraud, as proven that the regulation does not implies to foreign legal entity.

REFERENCES

- ACFE Indonesia Chapter. (2019). *Survei Fraud Indonesia 2019*.
- BPS. (2020). *Statistik E-commerce 2020. Pandemi Covid-19 Pacu Pertumbuhan Industri E-commerce Lebih Cepat*. Badan Pusat Statistik.
- Djumhana, M. (2006). *Hukum Perbankan di Indonesia*. PT Citra Aditya Bakti.
- Khotimah. (2015). *Perlindungan Hukum bagi Konsumen dalam Transaksi Jual Beli-Online (E-Commerce)*. Bussiness Law Review.
- Prananingtyas, P. (2018). *Perlindungan Hukum Terhadap Investor Emas Masalah-Masalah Hukum*, 47(4), 430-444. 10.14710/mmh.47.4.2018.430-444
- Supasti Dharmawan, N., Caka Bawa Landra, P., & Samsithawrati, P.. (2015). *Penjabaran Standar Internasional Trims dan OECD dalam Ketentuan Hukum Penanaman Modal Indonesia*. *Jurnal Magister Hukum Udayana (Udayana Master Law Journal)*, 4(3), 550 - 564. 10.24843/JMHU.2015.v04.i03.p11
- Simanjuntak, P. (2015). *Hukum Perdata Indonesia*, edisi Pertama. Kencana.
- Salim, J. (2010). *Jangan Investasi Emas sebelum Baca Buku Ini!*. Transmedia Pustaka
- Shinta, D. (2009). *Cyberlaw Perlindungan Privasi Atas Informasi Pribadi Dalam E-commerce Menurut Hukum International*. Widya Padjajaran.

- Dipradja, S. (2011). *Siapa Bilang Investasi Emas Butuh Modal Gede?*. Tangga Pustaka.
- Alamsyah, W. (2020). *Kinerja Penindakan Kasus Korupsi Tahun 2020*. Indonesia Corruption Watch
- Tanuwidjaja, W. (2009). *Smart Ways to Invest in Gold*. Media Pressindo.
- Prodjodikoro, W. (1959). *Hukum Perdata Tentang Hak-Hak Atas Benda*, cetakan ke-3. PT Pembimbing Masa.
- Widiastuti. (2020). *Supervision of Digital Gold Physical Trade by Commodity Futures Trading Regulatory Agency, Commodity Futures Trading Regulatory Agency Literacy*, Jakarta.