

LEGAL PROTECTION FOR LEASEHOLD INVESTORS IN BITCOIN-BASED PROPERTY TRANSACTIONS IN INDONESIA

Nyoman Novina Triastuti¹, A.A. Gd. Oka Wisnumurti², Ni Komang Arini Setyawati³

^{1,2,3}Master of Laws Study Program, Postgraduate Faculty, Warmadewa University, Indonesia

Corresponding author: Nyoman Novina Triastuti

E-mail: triastutinovina@gmail.com

Info Artikel:

Submit: 2026-01-24

Revised: 2026-02-28

Accepted: 2026-03-27

Vol: 4

Number: 3

Page: 236 - 242

Keywords:

Cryptocurrency,
Leasehold, Investor
Protection

Abstract:

This study examines the legal regulation of property transactions using a leasehold scheme with Bitcoin and the legal protection available for investors involved in such transactions in Indonesia. The research addresses the issue of legal certainty regarding the use of Bitcoin in property investment activities and the protection mechanisms available for investors when disputes arise. This research employs a normative legal research method by analyzing statutory regulations, legal concepts, and relevant cases through statute, conceptual, and case approaches. The analysis focuses on existing legal frameworks governing cryptocurrency transactions and property rights within the Indonesian legal system. The results show that cryptocurrency, including Bitcoin, cannot be used as a legitimate payment instrument in Indonesia; however, it can function as a tradable digital commodity and investment asset within the framework of commodity futures trading. Consequently, property investment transactions involving Bitcoin may still be structured through contractual agreements that comply with general principles of contract law. The study concludes that legal protection for investors can be provided through both preventive and repressive mechanisms under relevant laws and regulations, although clearer regulatory frameworks are still needed to ensure stronger legal certainty in property transactions involving cryptocurrency in Indonesia.

INTRODUCTION

The rapid development of digital technology has significantly influenced various sectors, including investment and property transactions. The emergence of cryptocurrency, particularly Bitcoin, has introduced new possibilities for financial transactions and investment mechanisms across different industries. Bitcoin operates through decentralized blockchain technology, enabling peer-to-peer transactions without the involvement of traditional financial intermediaries. This technological development has also begun to affect property investment practices, where digital assets are increasingly considered as alternative instruments in investment agreements (Hanl and Michaelis, 2017; Singla *et al.*, 2023; Dadhich *et al.*, 2024; Petrova, Kalinina and Usacheva, 2024; Bharathithasan and Srinivasan, 2026). As the digital economy continues to expand, the integration of cryptocurrency into property transactions raises important legal and governance issues that require careful examination. In Indonesia, the legal framework governing cryptocurrency remains complex and evolving (Gapurbaeva *et al.*, 2023; Malhotra, 2024; Farroukh, Metzger and Mzoughi, 2025). Cryptocurrency is not recognized as a lawful means of payment; however, it is permitted to be traded as a commodity within the commodity futures trading system. This regulatory position creates a unique legal environment in which cryptocurrency may be utilized as an investment asset but cannot be used as a formal payment instrument in commercial transactions. Consequently, the



use of Bitcoin within property investment arrangements, particularly those using leasehold schemes, presents challenges regarding legal certainty, contractual validity, and investor protection (Dierksmeier and Seele, 2018; Garikapati, Bag and Patnaik, 2024; Alkhrbeet *et al.*, 2025; Azam, Channi and Haroon, 2025; Nair and Sha, 2025).

Property transactions in Indonesia also involve specific legal structures related to land ownership and usage rights. Leasehold arrangements are commonly used in property investment, especially in areas with high levels of foreign or domestic investment interest. These arrangements allow investors to utilize property rights within a defined contractual period without transferring full ownership. When such transactions incorporate digital assets such as Bitcoin, additional legal complexities arise, particularly concerning the status of Bitcoin as an investment object and the enforceability of agreements based on such assets within the Indonesian legal system. Previous studies have examined the legal status of cryptocurrency and the protection of investors involved in digital asset transactions (Gifari, Anggorojati and Yazid, 2017; Ilham, Fachrudin, Silalahi, Saputra, *et al.*, 2019; Hariyanto, 2022; Alekseenko, 2023). Several scholars have highlighted that cryptocurrency in Indonesia is classified as a tradable digital commodity rather than a currency. Other studies have emphasized the need for regulatory frameworks that ensure transparency, accountability, and investor protection in cryptocurrency markets. Research has also discussed the legal validity of cryptocurrency transactions based on general contract law principles, particularly the requirements of valid agreements under civil law (Hardian *et al.*, 2012; Ilham, Fachrudin, Silalahi and Saputra, 2019; Haentjens, De Graaf and Kokorin, 2020; Prabowo, 2025; Putranti and Windiani, 2026).

Despite these contributions, most previous studies focus primarily on cryptocurrency trading activities or general cryptocurrency investments. Limited attention has been given to the integration of cryptocurrency within property investment transactions, especially those using leasehold schemes. As a result, there remains a lack of comprehensive legal analysis concerning how property investment agreements involving Bitcoin are regulated and how investors are legally protected when disputes arise in such transactions. This situation creates a significant research gap in the intersection between digital asset regulation and property investment law (Adjie, 2023).

The importance of this research is also connected to broader governance considerations within economic and financial activities. The use of cryptocurrency in investment transactions requires clear governance mechanisms to ensure legal accountability, transparency, and investor protection. In the context of governance, taxation, and auditing, emerging digital investment practices may influence regulatory oversight and the mechanisms used to ensure compliance with financial and legal regulations. Therefore, examining the legal aspects of Bitcoin-based property transactions contributes to understanding how digital investment instruments interact with existing legal frameworks. Based on these considerations, this research focuses on analyzing the legal regulation of property transactions using a leasehold scheme that incorporates Bitcoin as an investment instrument. In addition, this study also examines the forms of legal protection available to investors involved in such transactions within the Indonesian legal system. The research aims to provide a clearer understanding of the legal position of Bitcoin in property investment agreements and to identify mechanisms that can protect investors when legal disputes occur (Arifin *et al.*, 2009; Faisal and Mirwati, 2019; Mujiburohman *et al.*, 2023; Carona, Rifai and Shebubakar, 2024).

Accordingly, the main research questions addressed in this study are: (1) how property transactions use leasehold schemes with Bitcoin regulated within the Indonesian legal system, and (2) what forms of legal protection can be provided to investors involved in Bitcoin-based property investment transactions. By addressing these questions, this study seeks to contribute to the development of legal discourse on digital asset investment and to provide insights for policymakers,



legal practitioners, and investors regarding the governance of cryptocurrency-based property transactions.

METHODS

This study employs a normative legal research method to analyze the legal framework governing property transactions using a leasehold scheme with Bitcoin in Indonesia. The research focuses on legal norms and regulations related to cryptocurrency, property rights, and investment agreements within the Indonesian legal system. The sample of this study consists of relevant legal materials, including primary legal sources such as statutory regulations related to electronic transactions, commodity futures trading, and property rights, as well as secondary legal materials in the form of scholarly articles, legal journals, and previous research discussing cryptocurrency investment and investor protection. The research was conducted through a literature-based approach using legal documents and regulatory frameworks applicable in Indonesia. The analytical tool used in this study is qualitative legal analysis through a statute approach, a conceptual approach, and a case approach to interpret legal provisions and evaluate their relevance to property investment transactions involving Bitcoin, particularly in relation to legal certainty and investor protection within the Indonesian legal system.

RESULT AND DISCUSSION

The results of this study indicate that the development of cryptocurrency, particularly Bitcoin, has influenced various investment practices, including property transactions. In Indonesia, Bitcoin is not recognized as a legal payment instrument; however, it is permitted to be traded as a digital commodity within the commodity futures trading system. This regulatory position creates a dual character for Bitcoin in the Indonesian legal framework, where it functions as an investment asset rather than a currency. As a result, Bitcoin may be involved in investment activities, but cannot replace the official currency used in payment transactions. From the perspective of property investment practices, leasehold schemes are frequently used in transactions that involve long-term use rights over property without transferring full ownership. Leasehold arrangements allow investors to obtain economic benefits from property utilization within a contractual period agreed upon by the parties. The results of the analysis show that when Bitcoin is incorporated as an investment instrument in such agreements, the contractual relationship between the parties becomes the primary legal basis governing the transaction.

Based on the analysis of legal provisions, Bitcoin can be categorized as a digital asset or virtual property that possesses characteristics like other economic assets. These characteristics include exclusivity, transferability, and economic value. Therefore, Bitcoin can be treated as an object within a contractual agreement, provided that the agreement fulfills the legal requirements of a valid contract under civil law. In this context, the validity of agreements involving Bitcoin depends on the fulfillment of legal conditions such as mutual consent, legal capacity, a certain object, and lawful cause.

The findings also show that Indonesian regulations governing cryptocurrency trading provide certain forms of protection for investors participating in digital asset markets. Regulatory frameworks related to commodity futures trading establish requirements for crypto asset exchanges and trading platforms to ensure transparency and accountability in trading activities. These provisions are intended to minimize risks associated with fraud, manipulation, and other forms of unlawful conduct in cryptocurrency transactions. In addition, the results indicate that legal protection for investors can be implemented through both preventive and repressive mechanisms.





Preventive protection includes regulatory supervision, transparency requirements, and the obligation of trading platforms to provide accurate information to investors. Repressive protection, on the other hand, involves dispute resolution mechanisms when conflicts arise between the parties involved in cryptocurrency transactions.

Dispute resolution mechanisms related to cryptocurrency investment transactions are regulated through several legal instruments. When disputes occur, the parties may first attempt to resolve the issue through deliberation and mutual agreement. If such efforts fail, disputes may be resolved through arbitration institutions or through litigation in the court system. These mechanisms provide investors with legal avenues to protect their rights when conflicts arise in cryptocurrency-related investment agreements. The findings of this research are consistent with previous studies that emphasize the legal classification of cryptocurrency as a tradable digital commodity rather than a legitimate payment instrument. Earlier research also highlights that cryptocurrency transactions may still be considered legally valid under general contract law principles if they comply with the legal requirements governing agreements. These findings reinforce the argument that digital assets such as Bitcoin may function as objects within investment contracts.

However, this study also reveals that previous research has mainly focused on cryptocurrency trading activities or digital asset investments within financial markets. Limited attention has been given to the legal implications of integrating cryptocurrency into property investment transactions. This lack of research creates uncertainty regarding how such transactions should be regulated and how investor protection mechanisms should be implemented in property investment contexts. Furthermore, the analysis demonstrates that the intersection between property law and digital asset regulation requires a more comprehensive legal framework. Property transactions involve not only contractual relationships but also regulations related to land rights and ownership structures. When digital assets are incorporated into these transactions, regulatory clarity becomes increasingly important to ensure legal certainty for investors and other stakeholders involved.

Overall, the results of this study highlight the need for clearer regulatory frameworks governing the use of cryptocurrency in property investment transactions. Strengthening legal provisions related to digital asset investments can improve investor protection, enhance legal certainty, and support responsible innovation in emerging financial technologies. These findings contribute to the ongoing discourse on the governance of digital investment instruments and their interaction with existing legal and regulatory systems.

CONCLUSION

This study concludes that property transactions using a leasehold scheme with Bitcoin as an investment instrument can be understood within the framework of Indonesian positive law through the application of general contract principles and the regulatory framework governing cryptocurrency trading. Although Bitcoin is not recognized as a lawful means of payment in Indonesia, it may still function as a digital commodity and investment asset within the commodity futures trading system. Consequently, the use of Bitcoin in property investment arrangements can be legally constructed as part of an investment agreement, provided that the contractual requirements established in civil law are fulfilled. Furthermore, the findings indicate that legal protection for investors involved in Bitcoin-based property investment transactions can be implemented through both preventive and repressive mechanisms. Preventive protection is reflected in regulatory supervision, transparency obligations, and compliance requirements for digital asset trading activities. Meanwhile, repressive protection is provided through dispute





resolution mechanisms such as negotiation, arbitration, or litigation when conflicts arise between parties in investment transactions.

Overall, the study highlights the importance of strengthening legal clarity and regulatory frameworks governing the integration of digital assets into property investment activities to ensure legal certainty and investor protection. Future research may further explore the practical implementation of cryptocurrency-based investment agreements and examine the implications of digital asset regulation for property transactions and financial governance in emerging digital economies.

REFERENCES

- Adjie, H. (2023) "Indonesian Land Rights for Individual Limited Companies," *International Journal of Cyber Criminology*, 17(2), pp. 20–32. Available at: <https://doi.org/10.5281/zenodo.4766702>.
- Alekseenko, A.P. (2023) "Model Framework for Consumer Protection and Crypto-Exchanges Regulation," *Journal of Risk and Financial Management*, 16(7). Available at: <https://doi.org/10.3390/jrfm16070305>.
- Alkhrbeet, H.S. et al. (2025) "Application of Blockchain for Registering and Safeguarding Real Estate Property Rights," in *ICCR 2025 - 3rd International Conference on Cyber Resilience*. University of Anbar, College of Law, Iraq: Institute of Electrical and Electronics Engineers Inc. Available at: <https://doi.org/10.1109/ICCR67387.2025.11292275>.
- Arifin, B. et al. (2009) "A conjoint analysis of farmer preferences for community forestry contracts in the Sumber Jaya Watershed, Indonesia," *Ecological Economics*, 68(7), pp. 2040–2050. Available at: <https://doi.org/10.1016/j.ecolecon.2008.12.007>.
- Azam, M., Channi, I. and Haroon, M. (2025) "Role of Digital Technology in the Financial Industry," in *Transformations in Banking, Finance and Regulation*. Department of Economics, Ghazi University, Dera Ghazi Khan, Pakistan: World Scientific, pp. 33–61. Available at: https://doi.org/10.1142/9781800616257_0002.
- Bharathithasan, S. and Srinivasan, K.S. (2026) "Cryptocurrency adoption and acceptance: a literature survey analysis," *International Journal of Intelligent Enterprise*, 13(1), pp. 101–111. Available at: <https://doi.org/10.1504/IJIE.2026.150529>.
- Carona, N., Rifai, A. and Shebubakar, A.N. (2024) "Hak Sewa Tanah Untuk Bangunan Oleh Wna Sebagai Alternatif Penguasaan Hak Atas Tanah Di Indonesia," *Jurnal Litigasi*, 25(1), pp. 1–20. Available at: <https://doi.org/10.23969/litigasi.v25i1.10632>.
- Dadhich, M. et al. (2024) "Decentralized Disruptive Crypto Landscape: How Digital Currencies Are Shaking up Finance?" in R. S. et al. (eds.) *Communications in Computer and Information Science*. Sir Padampat Singhania University, Udaipur, India: Springer Science and Business Media Deutschland GmbH, pp. 268–282. Available at: https://doi.org/10.1007/978-3-031-59107-5_18.
- Dierksmeier, C. and Seele, P. (2018) "Cryptocurrencies and Business Ethics," *Journal of Business Ethics*, 152(1), pp. 1–14. Available at: <https://doi.org/10.1007/s10551-016-3298-0>.
- Faisal, Y. and Mirwati, Y. (2019) "Dispute resolution of eks railway land by PT. Kereta API Indonesia (PT. Kai Persero) in Sumatera Barat," *International Journal of Innovation, Creativity and Change*, 10(5), pp. 189–199. Available at: <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85079596084&partnerID=40&md5=5fe045140126987f71a2b0d40884695c>.
- Farroukh, A., Metzger, M. and Mzoughi, H. (2025) "Assessing the influence of cryptocurrencies on



- financial market stability," *Eurasian Economic Review*, 15(2), pp. 425–472. Available at: <https://doi.org/10.1007/s40822-024-00284-w>.
- Gapurbaeva, S. *et al.* (2023) "The Impact of Cryptocurrency on the Investment Market," *Review of Economics and Finance*, 21(1), pp. 647–652. Available at: <https://doi.org/10.55365/1923.x2023.21.68>.
- Garikapati, K., Bag, A. and Patnaik, S. (2024). "Decoding Cryptocurrency: A Digital Revolution in Transactions," in *Blockchain and Cryptocurrency: Management Systems and Technology Challenges*. School of Law, Kalinga Institute of Industrial Technology, India: CRC Press, pp. 191–207. Available at: <https://doi.org/10.1201/9781003453109-11>.
- Gifari, A., Anggorojati, B. and Yazid, S. (2017). "On preventing bitcoin transaction from money laundering in Indonesia: Analysis and recommendation on regulations," in *Proceedings - WBIS 2017: 2017 International Workshop on Big Data and Information Security*. Faculty of Computer Science, Universitas Indonesia, Indonesia: Institute of Electrical and Electronics Engineers Inc., pp. 143–148. Available at: <https://doi.org/10.1109/IWBIS.2017.8275116>.
- Haentjens, M., De Graaf, T. and Kokorin, I. (2020) "The failed hopes of disintermediation: Cryptocustodian insolvency, legal risks and how to avoid them," *Singapore Journal of Legal Studies*, 2020, pp. 526–563. Available at: <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85091196374&partnerID=40&md5=1771ceef705c1e9ea5f37243b443f62f>.
- Hanl, A. and Michaelis, J. (2017) "Cryptocurrencies: A Monetary Policy Problem?," *Wirtschaftsdienst*, 97(5), pp. 363–370. Available at: <https://doi.org/10.1007/s10273-017-2145-y>.
- Hardian, F. *et al.* (2012) "An analysis of the leasehold concept in the land management system of Indonesia and Malaysia," *Social Sciences (Pakistan)*, 7(3), pp. 391–404. Available at: <https://doi.org/10.3923/sscience.2012.391.404>.
- Hariyanto (2022) "Bitcoin Sebagai Aset Debitor Pailit Dalam Hukum Kepailitan Di Indonesia," *Masalah-Masalah Hukum*, 51(3), pp. 299–313. Available at: <https://doi.org/10.14710/mmh.51.3.2022.299-313>.
- Ilham, R.N., Fachrudin, K.A., Silalahi, A.S. and Saputra, J. (2019) "Comparative of the supply chain and block chains to increase the country revenues via virtual tax transactions and replacing the future of money," *International Journal of Supply Chain Management*, 8(5), pp. 1066–1069. Available at: <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85078321329&partnerID=40&md5=1b001cb243e57d10404d84d56d4ef4e3>.
- Ilham, R.N., Fachrudin, K.A., Silalahi, A.S., Saputra, J., *et al.* (2019) "Investigation of the bitcoin effects on the country revenues via virtual tax transactions for purchasing management," *International Journal of Supply Chain Management*, 8(6), pp. 737–740. Available at: <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85077696674&partnerID=40&md5=f79d13a470899335fa400db3fc3a8f18>.
- Malhotra, N. (2024). "Impact of sources of finance on Bitcoin investments among the households," in *Powering Industry 5.0 and Sustainable Development Through Innovation*. Indian Institute of Management, Sambalpur, India: IGI Global, pp. 170–185. Available at: <https://doi.org/10.4018/979-8-3693-3550-5.ch012>.
- Mujiburohman, D.A. *et al.* (2023) "The Issues of Land Tenure in Mixed Marriage," *Jurnal Ilmiah Peuradeun*, 11(1), pp. 19–38. Available at: <https://doi.org/10.26811/peuradeun.v11i1.818>.
- Nair, G.S. and Sha, N. (2025) "Digital Penetration and Investment Pattern," in *Sustainable Finance*. Department of Commerce, All Saints' College, University of Kerala, Kerala,

Thiruvananthapuram, India: Springer Nature, pp. 335–378. Available at: https://doi.org/10.1007/978-3-032-01677-5_16.

Petrova, E.A., Kalinina, A.E. and Usacheva, I. V (2024). "Industry 4.0 Information Technologies as a Factor in the Transformation of Traditional Investments and Development of Digital Investment Assets," in *Intelligent Systems Reference Library*. Volgograd State University, Volgograd, Russian Federation: Springer Science and Business Media Deutschland GmbH, pp. 27–37. Available at: https://doi.org/10.1007/978-3-031-51536-1_3.

Prabowo, B.A. (2025) "Analyzing the Legal Reasoning behind the Prohibition of Cryptocurrency Transactions in Indonesian Fatwa and Regulations," *Al-Manahij: Jurnal Kajian Hukum Islam*, 19(2), pp. 335–354. Available at: <https://doi.org/10.24090/mnh.v19i2.14974>.

Putranti, I.R. and Windiani, R. (2026) "Regulating Beneficial Ownership: Unveiling Hidden Assets from Illicit Financial Flows via Cryptocurrency Exchanges in Indonesia," *Foro: Revista de Derecho*, 2026-January-June(45), pp. 49–71. Available at: <https://doi.org/10.32719/26312484.2026.45.3>.

Singla, N. *et al.* (2023) "Unveiling the Dynamics of Digital Economics: A Comprehensive Exploration," in *Proceedings of International Conference on Contemporary Computing and Informatics, IC3I 2023*. Independent Researcher, Punjab, Ludhiana, India: Institute of Electrical and Electronics Engineers Inc., pp. 2633–2637. Available at: <https://doi.org/10.1109/IC3I59117.2023.10397977>.