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Indonesia’s Crypto Tax Revenue Surges Amid Market Shift

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Indonesia registered a major increase in cryptocurrency tax revenue in 2024, collecting 620 billion rupiah (about USD 38 million). That represented a 181 percent rise over 2023, when tax receipts totaled 220 billion rupiah. However, tax collections have decelerated sharply in early 2025, prompting concerns about volatility in the digital asset sector.

According to the Directorate General of Taxes, crypto transaction volume more than tripled in 2024 to approximately 650 trillion rupiah (around USD 39.7 billion), while the number of active users rose to over 20 million. That user count is believed to exceed the number of stock market investors in Indonesia. Observers say young people, especially those aged 18 to 30, account for the majority of traders, drawn to mobile-first crypto platforms.

Cryptocurrency taxes were introduced in May 2022, implementing a dual regime that includes a final Value Added Tax (VAT) and Article 22 income tax on crypto trades. In the first year, the system raised 246 billion rupiah, but revenue declined in 2023 before rebounding in 2024.

As of July 2025, the government had collected only 115 billion rupiah (around USD 7 million) from crypto taxation, indicating a sharp slowdown. Officials attributed the decline to the inherent price fluctuations in the crypto market, which directly influence trading activity and therefore tax revenue. "Crypto is a long-term investment. The price can drop," said Hestu Yoga Saksama, Director of Tax Regulations I. "It could spike or it could fall, it depends on the market fever."

To support sustainable revenue and strengthen oversight, the Indonesian government introduced new tax reforms effective August 1, 2025. These include increased taxes on transactions executed through foreign crypto exchanges, from 0.2 percent to 1 percent, and a smaller rise for domestic platforms from 0.1 percent to 0.21 percent. Simultaneously, VAT for crypto asset buyers was removed to encourage local trading and adoption. VAT on crypto mining operations was doubled from 1.1 percent to 2.2 percent, and the special 0.1 percent income tax on mining revenues will be phased out in 2026, with standard personal or corporate income taxes applying from then on.

In addition, Indonesia has reclassified crypto assets from being considered commodities to financial assets, placing the sector under the supervision of the Financial Services Authority (OJK) starting in early 2025. This shift is intended to align with international regulatory standards and pave the way for institutional engagement.

Industry figures responded cautiously. Analysts like Gregory Cowles, Chief Strategy Officer at Intellistake.ai, warned that overly aggressive or unclear tax policies could push trading offshore or into unregulated channels. Nonetheless, many stakeholders see regulatory clarity as positive for long-term growth and domestic exchange development.

Although short-term momentum has slowed, Indonesia remains one of the world's fastest-growing crypto economies. With a youthful investor base and rising volumes, the country's regulatory and fiscal frameworks continue to evolve, aiming to balance revenue needs with market innovation.