

DIGITAL MONEY TRANSACTIONS IN THE BANKING SYSTEM

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Abstract

Technological developments in the payment system have replaced the role of cash, which is known to the public as a means of payment in general, to a more effective and efficient form of non-cash payment. The non-cash payment system that is currently quite common in people's daily lives is electronic money. Electronic money is essentially cash without any physical form, the value of which comes from the value of the money that is first deposited with the issuer, then stored electronically in an electronic medium in the form of a server or chip card, which functions as a non-cash payment tool to non-cash traders. the electronic money issuer concerned. Based on the results of a study of the problem, payments using electronic money in carrying out transactions are regulated by Bank Indonesia through Bank Indonesia Regulation Number 18/17/PBI/2016 concerning the Second Amendment to Bank Indonesia Regulation Number 11/12/PBI/2009 concerning Electronic Money (Electronic Money).). Electronic money offers convenience and practicality to the public, thereby having a changing impact on society in carrying out transactions. Law as a means of social control is needed to provide certainty and protection so that conflicts and imbalances that may arise as a result of changes in society do not disrupt public order and productivity.

Keywords: electronic money (e-money), payment systems, digital banking

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I. Introduction

Technological developments have influenced the payment system in business transactions, which previously only used cash, has now developed into non-cash which is more efficient and economical. Non-cash payments are generally made by inter-bank transfer or intra-bank transfer. Non-cash payments can also be made using cards as a means of payment, for example with ATM cards, debit cards, credit cards and electronic money (e-money). There are also digital payment applications that are currently popular, such as OVO, Go-Pay, Shoppe Pay, Dana and so on (Wahyudi et al., 2019). The development of digitalization and payment system innovation not only increases the efficiency of the payment system industry and accelerates digital economic and financial inclusion, but also increases risks due to the increasing complexity of activities and variations in business models, including the business of providing payment systems. This is a problem that must be managed well to avoid overlap and misuse of technology in the non-cash payment system. It is necessary to regulate an effective and responsive payment system that covers all aspects of payment system implementation to accommodate digital economic and financial developments. This article examines the regulations and implementation of digital payment systems in order to support the stability of the Indonesian financial system (Sugiarto, 2019). Based on the results of a study of the problem, payments using electronic money in carrying out transactions are regulated by Bank Indonesia through Bank Indonesia Regulation Number 18/17/PBI/2016 concerning the Second Amendment to Bank Indonesia Regulation Number 11/12/PBI/2009 concerning Electronic Money (Electronic Money). Electronic money offers convenience and practicality to the public, thereby having a changing impact on society in carrying out transactions. Law as a means of social control is needed to provide certainty and protection so that conflicts and imbalances that may arise as a result of changes in society do not disrupt public order and productivity.

II. Results and Discussion

Payment Instruments are Increasingly Developing, Transactions are Easier, Management is More Wise



Long before the introduction of money, humans carried out transactions using the practice of bartering, namely, exchanging goods and/or services for desired goods and/or services. For example, exchanging a bag of rice for a bag of beans. The practice of bartering began tens of thousands of years ago and persisted until the beginning of modern humans. It's just that problems arise when two people who want to exchange do not agree on the exchange value. Especially if one of them doesn't really need the thing being exchanged. Finally, this barter system was replaced with commodity currency, still using goods, but these goods must be generally accepted as a medium of exchange and as a standard of value used in exchanging goods by society. For example, for hundreds of years gold can be used directly to buy goods, but gold also has other functions, for example as decoration or jewelry.

Because human needs continue to increase and the inefficient use of bartering or commodity money, society develops a more efficient and scalable medium of exchange, namely money. The form of money has also continued to evolve since its inception. The first is currency, there are two types of currency that we know, namely coins and paper money, we usually call currency as cash.

In Indonesia, currency has been used since the colonial era. During the Dutch colonial era, money was issued by the VOC in the form of coins and paper. Likewise, during the Japanese colonial period, they issued Japanese government versions of coins and paper money. Coins at this time were made using aluminum and tin.

Well, it was only after the proclamation of independence that the Indonesian government felt the need to issue its own money which was known as ORI (Oeang Republik Indonesia). This publication is a symbol of the identity of Indonesia's independence and sovereignty and also as a tool to unify the nation.

Cash does make transactions easier. However, in line with economic and technological developments, the use of cash is considered practical only for transactions with small values, of course it will be difficult to obtain and carry large amounts of physical cash for transactions with large values. Apart from that, carrying cash is starting to be considered unsafe because of the rise in theft, robbery and counterfeiting, making people afraid to keep or carry large amounts of cash.

These obstacles ultimately gave rise to innovation in creating non-cash payment tools that are more practical and efficient. There are various forms of non-cash payment instruments. Firstly, there are paper-based ones, for example checks/bilyet and giro, these forms are securities issued by a bank as an instrument for withdrawing funds for customers who have checking account/current account facilities. Second, card-based, for example credit cards and debit cards, this money is access and there is no recording of funds on the card instrument. Funds are fully under the management of the bank as long as there is no authorization from the customer to make payments. Third, electronic based, for example electronic money, is prepaid, the value of the money is recorded in electronic money and is fully under the control of the consumer. For those who are paper-based and card-based, you're definitely familiar with Suhui friends. So, electronic-based or electronic money is growing day by day. Currently electronic

money can also be used for micro payments as a substitute for money, for example if you shop at a mini market or pay tolls with electronic money. However, because control is completely in the hands of the consumer and there is no need for authorization during transactions, electronic money can be transferred very easily so you have to be careful not to lose it.

Non-cash payments today are increasingly developing with the emergence of digital payments using QR Code, QR Code or QR code is a matrix code (two-dimensional code) which was first created by the Japanese company Denso-Wave in 1994. The "QR" comes from from the words "Quick Response", as the name suggests, this code was created so that digital cameras can quickly and easily read the code/sentence/data contained in it. The QR Code payment system is here so that transactions can run faster, more efficiently, and of course cashless. To be able to make transactions using a QR Code, you just need to use a smartphone and an internet connection, which is simpler than other non-cash payment systems that require an additional card. QR Code payment transactions use funding sources in the form of savings and/or payment instruments in the form of debit cards, credit cards, and/or electronic money that use server-based storage media.

Phew~ the development of payment instruments is very fast, my friend, in the last few years. Various innovations and transformations will continue to be carried out to simplify and improve the security of payment systems in the future in facing the current digitalization era. For this reason, Attitude Friends must also be able to follow these developments, don't be left behind, make good use of existing innovations. Even though using payment tools increasingly offers convenience and even provides other benefits such as cashback or discounts, you must still use your money wisely. Whatever form it takes, it's still money and valuable, my friend. Remember, ORI was first published as a tool to unite the nation, don't let it go backwards now, becoming divided because of money. Oops!



Payment System Digitalization and Its Development in Indonesia

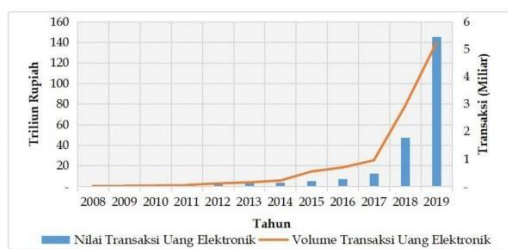
In modern times, practicality is very important. Changes in people's lifestyles and technological innovation have encouraged the development of non-cash payment systems. Payment System is a set of rules, institutions and mechanisms used to carry out the transfer of funds, in order to fulfill an obligation arising from an economic activity. The payment system was born at the same time as the concept of money as a medium of exchange or intermediary in goods, services and financial transactions. In

principle, the payment system has 3 processing stages, namely authorization, clearing and final settlement (Mulvi Aulia, 2021).

In the non-cash payment system, the instruments used are Card Payment Instruments (APMK), both credit and debit cards, checks, giro bills, debit notes, and electronic money (card based and server based). Payment transactions using the APMK instrument are currently account based. Another payment system is e-money which is not connected to the user's account, but has a separate pocket that can be filled by top-up. E-money is a payment instrument that meets the following elements: issued on the basis of the value of the money deposited in advance by the holder to the issuer; the value of money is stored electronically in a medium such as a server or chip; used as a means of payment to merchants who are not issuers of electronic money; and the value of electronic money deposited by the holder and managed by the issuer is not a deposit as intended in the Law on Banking (bi.go.id, 20 January 2021) (Indonesia, 2019).

Central banks in the world encourage the use of non-cash payment instruments. This is because the payment system is relatively safer, more effective and efficient. Apart from that, transactions with this system are also cheaper, faster and easier so that it can increase the country's economic productivity (Satya, 2021). Electronic money transactions are growing rapidly in Indonesia in line with the launch of the National Cashless Movement (GNNT) program launched by BI on August 14 2017. This movement was launched to create a society that uses more non-cash instruments. The massive technology used in payment or financial systems shows that people have accepted this system as part of their financial transactions. The volume and value of transactions using electronic money can be seen in the graph in figure 1 below.

III. Discussion



Gambar 1. Grafik Volume dan Nilai Transaksi Uang Elektronik 2008-2019
Sumber: Bank Indonesia, 2019.

In the short-term period, credit cards and electronic money/e-money have a positive relationship with the development of the Indonesian economy through the GDP proxy. This result means that every increase in the volume of credit card transactions and electronic money/e-money results in an increase in the development of the Indonesian economy, which indicates an increase in public consumption in the short term, so that more output production is needed to meet the demand. consumer demand. However, the use of electronic money/e-money is currently only focused on city center areas in Indonesia, while in remote areas and far from city centers there are

still limited facilities and infrastructure. The results of this research are in line with Rukmana (2016) that non-cash payments in the short term/short-term value of payment transactions based on debit cards/debit cards/ATMs and credit cards/credit cards have a positive relationship and provide efficiency benefits as well as improving the real sector in influencing G.D.B.

Furthermore, the long-term/long-term debit card and electronic money/e-money variables have a negative relationship with the development of the Indonesian economy through the GDP proxy, because non-cash payments in Indonesia are not very strong and are still dominated by cash transactions. . This research is in line with Rukmana (2016) that long-term non-cash payments have no influence on economic development.

The differences in the results found in this research and previous research include: according to Sukirno, changes in transaction volume can be used as an initial signal to observe economic growth. Based on previous research, non-cash payments have a positive effect, meaning that when non-cash payments increase, transaction costs can be reduced and currency exchange activities will be faster, thus affecting productivity and ultimately affecting output and economic development (Mahendra, 2019). However, in reality during the research period the results showed that non-cash payments, namely debit cards, credit cards and electronic money/e-money, had a negative influence on economic development, where when non-cash payments increased, it could result in a decline in development. Indonesian economy.

IV. Research Method

This research is qualitative descriptive research based on literacy studies by collecting journals and publications indexed on Google. These journals and publications are journals and publications that are appropriate to the topic of this research. Apart from collecting and reading journals and publications, researchers also access several internet websites related to the research topic in order to obtain a conceptual framework for thinking and understand the context of the research in depth. The use of literature can provide an overview of both what is known and what is not yet known about a system. The use of literature in qualitative research aims to maintain the naturalness of the data.

V. Conclusion

Technological developments and developments in people's lifestyles have changed the payment system which was previously made in cash to non-cash using various instruments. Payment systems continue to evolve following the evolution of money which moves in line with technological innovations and business models, societal traditions and authority policies. Since the launch of GNNT in 2014, the non-cash payment system has experienced significant and rapid growth, especially since 2017.

With this growth, non-cash payment systems have become an industry of their own. This requires further regulation in order to provide clear direction in the circulation of

money, monetary and financial system stability with risk management, especially in banking institutions. BI has published the Indonesian Payment System Blueprint 2025: Navigating the National Payment System in the Digital Era (BPSI 2025) and the PBI Payment System as a legal umbrella. The DPR RI, through the relevant commissions, needs to monitor the implementation of the payment system and supervise the implementation of these regulations so that they are effective and can protect the public as users.

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