

The Efforts to Prevent Money Laundering in Indonesia

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ABSTRACT

Keywords: Effort; Prevention; Money Laundering Crime.

Due to its criminal nature, money laundering by transnational organized criminal groups will negatively impact the country's micro and macro economies. These impacts can disrupt the functioning of the market mechanism, create distortions that disrupt economic efficiency and the distribution of income and wealth in society and disrupt national development. The crook demonstration of tax evasion is an interaction or action that expects to stow away or mask the beginning of cash and resources got from criminal demonstrations which are then changed over into resources that seem to start from genuine exercises. Corruption, bribery, goods/labor/immigrant smuggling, banking, narcotics, psychotropic, trafficking, kidnapping, terrorism, theft, embezzlement, and fraud are all criminal acts that can lead to money laundering. The stages in the crime of money laundering are Placement, Layering, and Integration. The legal instrument for money laundering is Article 3 of RI Law No. 8 of 2010 concerning Money Laundering. And the way to deal with money laundering in Indonesia is to postpone transactions on assets originating from criminal acts. Furthermore, it did the blocking of criminal act assets and suspended transactions related to money laundering crimes

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1. Introduction

Recently, the Indonesian people have been furious with the behavior of state officials who often flex (show off) their lifestyle and wealth. An example of a case that is currently under scrutiny and scorn from the public is the crime of money laundering committed by the Director of Taxes named Rafael Alun, with a total wealth that is considered very unreasonable up to 56 billion Rupiah, not to mention other assets that are not reported to the state, and the discovery of a deposit box in the name of another person, allegedly to avoid government suspicion, with a truly fantastic value. The crime of money laundering has resurfaced and has angered the Indonesian people. How could it not be, when the Indonesian people were

burdened with state taxes, the tax officials acted and seemed to be doing their best with their dishonorable actions. Apart from Rafael Alun, allegations of money laundering also surfaced again after netizens highlighted the lifestyle of the wife of the Head of the National Land Agency (BPN), who often flexes a luxurious lifestyle, exceeding her husband's income (Amrullah, 2020).

As Indonesia's Financial Intelligence Unit (FIU), the Financial Transaction Reports and Analysis Center (PPATK) plays an important role in the follow-the-money method of locating criminally obtained assets. PPATK has an important and strategic role in the assets recovery program, especially in terms of providing intelligence information in the financial sector to trace assets (assets tracing), both during the process of analyzing financial transactions and during the processes of investigation, prosecution, and examination of defendants in court proceedings (Yanuar, 2019). Through cooperation and coordination, PPATK can trace assets resulting from criminal acts both inside and outside the country. Financial service providers (both bank and non-bank FSPs) and other service/goods providers are involved in domestic asset tracing (Wiyono, 2022).

As an effort to combat money laundering, PJK and other service/goods providers are at the forefront of early detection of all suspicious transactions through the financial system for further reporting to PPATK. The authority for this lies with investigators, public prosecutors, or judges to order PJK and other service/goods providers must temporarily block person or company assets that has been reported by PPATK in order to early save assets resulting from criminal acts (Yani, 2013). After receiving an order, PJK and other service/goods providers are required to carry out a temporary blocking after the blocking order is received. Tracing proceeds of crime assets placed by perpetrators of criminal acts abroad is carried out in collaboration with fellow FIUs as well as through bilateral and multilateral cooperation, through the exchange of information (Hasanah & Uang, 2011). The current information is very fast and precise, namely information that comes from social media. There is no doubt about the strength of Indonesian netizens, including the emergence of the case of Rafael Alun and the head of the BPN in a hedonistic and flexing style that was finally able to uncover a major case of money laundering (Husni, 2020).

The benefits of exchanging information among FIUs include obtaining faster results when compared to the mechanism for exchanging information through other channels. The increasing complexity of today's world political problems makes more and more interesting topics to be discussed. Money laundering criminal cases are quite a complicated and complex problem. Money laundering acts can include things ranging from diversion, concealment, and disguise of money/funds to property. which are known to originate from criminal activities or actions that are of a nature to assist the implementation of said criminal activities with the aim of avoiding legal consequences (Cox, 2011). This prompted the interested writer to choose the title of the paper "Efforts to Prevent Money Laundering in Indonesia" because the writer is interested in Indonesia's initiatives to combat money laundering which is very detrimental to the state. The problem in this paper is how to prevent money laundering in Indonesia.

2. Materials and Methods

The descriptive analytical method was used to write this applied paper. That is, data that clearly describes the problems directly in the field was used, and then the analysis was done and a solution to the problem was found. methods of observation and literature review for data collection in order to solve problems and prepare this paper This study employs a sociological juridical approach, also known as a juridical approach method, to examine issues

from a legal and systematic perspective and as a guide to rules that can serve as a foundation for analyzing legal phenomena. The sociological approach is used to investigate a problem in society or the community with the intention of gathering facts, then locating issues, identifying issues, and identifying solutions.

3. Results and Discussions

3.1. PPATK Investigation Process on Money Laundering Crimes

In today's information technology era, cross-border money transactions and remittances can be made in minutes, utilizing banking transactions via the internet (net banking or e-banking). Hence, the fast velocity of money is also an obstacle to the settlement of LKTM. Turnaround transactions should be frozen immediately if illegal financial transactions are suspected. For example, a bank in Switzerland is given the authority to postpone for three days the disbursement of a remittance until clarity is obtained about the flow of incoming and outgoing funds.

Regarding the capability of detecting suspected money laundering, PPATK is able to not only locate assets that have been placed in the financial system as part of the money laundering process as proceeds of crime, but it is also able to stop assets and make an effort to cooperate with relevant agencies in order to retrieve them as state assets that have been taken by the perpetrator. Through three stages of placement or placement, layering or splitting/transfer, and the integration or reuniting of the scattered proceeds of crime, the perpetrators usually do this to obscure, disguise and hide the proceeds of crime so that they are not detected and traced by law enforcement officials.

Money laundering actors frequently collaborate with other parties, such as officials of financial institutions, bank employees, lawyers, accountants, and other professionals, to carry out their actions. Naturally, the involvement of these parties can make it easier for the offender to "whitewash his money" without being noticed by authorities. Most of the time, these other parties are hired as middlemen to set up accounts inside and outside the country to conceal where the criminal's assets come from.

As a reporting center, PPATK has worked hard to build an anti-money laundering system, even when it was just starting out and wanted to be like Austrac (Australian Model). In its turn of events, PPATK has not been adequately equipped for handling tax evasion exercises in Indonesia.

The demands of various parties to give PPATK more authority have shown how much this institution needs legitimacy as an institution that is not only a reporting center but also an investigative apparatus for money laundering offenses alongside the National Police and the KPK. This is also due to the difficulty of proving this crime. The capacity of existing law enforcement officials has not yet supported law enforcement. Many findings of PPATK were not followed up by investigators on the grounds of a lack of evidence.

So far, the results of reports issued by PPATK have no strength as evidence, so they cannot be used as evidence in court. Of course, this is a waste and the ineffectiveness of PPATK's performance in analyzing financial transactions, because in the end what determines whether or not a money laundering case is continued or not depends very much on the police (*Polri*) investigators.

Placement

This is the initial stage, in which the owner of the illicit funds enters the financial system.

Layering

Layering is the process of separating the proceeds of a crime from their source, which is the crime, through a series of financial transactions at various stages to conceal or disguise where the funds came from.

Integration

An effort to use legitimate assets that can be enjoyed directly, invest in a variety of financial and material assets, and finance legitimate business activities is called integration. (Sutedi, 2006:23-25).

Smurfing

Smurfing is an attempt to avoid reporting by fragmenting transactions made by multiple actors.

Structuring

This mode is an attempt to avoid reporting by breaking up transactions so that the number of transactions becomes smaller.

U Turn

It is an attempt to obscure the origin of the proceeds of crime by twisting the transaction and then returning it to its original account.

3.2 Instruments of the Law Concerning the Crime of Money Laundering

Articles 3 to 10 of RI Law No. 8 of 2010 concerning the Crime of Money Laundering (Berutu, 2019)

"Anyone who places, transfers, transfers, spends, pays, grants, deposits, takes abroad, changes forms, exchanges with currency or securities or other actions on Assets that he knows or should reasonably suspect is the result of a criminal act as referred to in Article 2 paragraph (1) with the aim of concealing or disguising the origin of Assets shall be punished for the crime of Money Laundering with a maximum imprisonment of 20 (twenty) years and a maximum fine of Rp. 10,000,000,000.00 (ten billion rupiahs)."

Article 4 states that:

"Anyone who hides or disguises the origin, source, location, designation, transfer of rights, or actual ownership of Assets which he knows or should reasonably suspect constitutes the proceeds of a crime as referred to in Article 2 paragraph (1) shall be punished for a crime Money laundering with a maximum imprisonment of 20 (twenty) years and a maximum fine of Rp. 5,000,000,000.00 (five billion rupiahs)."

Article 5 states that:

Article 2 paragraph (1) stipulates that anyone who receives or controls the placement, transfer, payment, grant, donation, safekeeping, exchange, or use of assets that he knows or reasonably suspects constitute the proceeds of crime is subject to a maximum sentence of five years in prison and a fine of Rp one million. One billion Indonesian rupiah.

Article 6 states that:

"The provisions referred to in paragraph (1) do not apply to Reporting Parties carrying out reporting obligations as regulated in this Law."

Article 7 states that:

"In the event that the crime of Money Laundering as referred to in Article 3, Article 4, and Article 5 is committed by a Corporation, the sentence shall be imposed on the Corporation and/or Corporate Controlling Personnel."

Article 8 State that:

"Criminals are imposed on corporations if the crime is money laundering:

- a. carried out or ordered by the Corporate Control Personnel;
- b. carried out in order to fulfill the aims and objectives of the Corporation;
- c. carried out in accordance with the duties and functions of the actor or giver of the order; And
- d. carried out with the intention of providing benefits to the Corporation.

Article 9 states that:

"The principal sentence imposed on Corporations is a maximum fine of Rp. 100,000,000,000.00 (one hundred billion rupiahs). In addition to the fines referred to in paragraph (1), additional penalties can also be imposed on Corporations in the form of:

- a. announcement of the judge's decision;
- b. freezing of part or all of the Corporation's business activities;
- c. revocation of business license;
- d. dissolution and/or prohibition of the Corporation;
- e. confiscation of corporate assets for the state; and/or
- f. corporate takeover by the state."

Article 10 states that:

"In the event that the convict's assets are insufficient to pay the fine as referred to in Article 3, Article 4, and Article 5, the fine shall be replaced by imprisonment for a maximum of 1 (one) year and 4 (four) months."

3.2. Efforts to Prevent Money Laundering Crimes

For strategic efforts and steps to further empower the anti-money laundering regime in Indonesia now and in the future, efforts must be made to strengthen the six main pillars closely related to one another. First, laws and regulations. Second, human resources and information technology systems. Third, analysis and compliance of Financial Service Providers. Fourth, domestic and international cooperation. Fifth, institutional. Sixth, research and development. Strengthening the anti-money laundering regime is a must. In this case, it is carried out by strengthening the 6 (six) main pillars, closely related to one another.

For the five years from 2007 to 2011, the National Strategy for the Prevention and Eradication of ML has been developed. aimed at locating flaws in the Anti-Money Laundering Regime's implementation that necessitate representative action on the executive and legislative levels. The following are some of the recommended strategic steps in this National Strategy: 1) the creation of a single identification number for all Indonesian citizens to aid in

the fight against crime; 2) The enactment of the Bill on the Prevention and Eradication of Money Laundering as soon as possible so that Indonesia has an anti-money laundering law that is more comprehensive and effective, in accordance with international standards, to prevent and eradicate money laundering; 3) the management of electronic databases and the connection of databases between related agencies so that the information requirements of each related agency can be met as soon as possible, making it easier to deal with money laundering and other criminal acts; 4) putting more pressure on financial service providers to comply with regulations so that they are more aware of their responsibilities as reporting parties; 5) simplifying the operation of asset forfeiture and asset recovery so that the state can get the most out of the assets that are returned to it from criminal activity while also making a significant contribution to the growth of the national economy; 6) boosting public participation by supporting the Indonesian government's implementation of an anti-money laundering policy through public campaigns; 7) acceleration of ratification and harmonization of international agreements; 8) strengthening regulations regarding alternative remittance services (Alternative Remittance System) and electronic remittances (wire transfers).

Jahja (2012:46) says how to overcome this action are:

1. Postponement of transactions on assets originating from criminal acts.
2. Blocking of assets known to originate from criminal acts.
3. Cessation and suspension of transactions related to money laundering.

Another issue that must be taken into consideration in the fight against money laundering is the idea that the government should look into whether money laundering is a separate crime or a follow-up one. Positioning money laundering as either an independent crime or a follow-up crime is not contradictory; rather, when placed in the appropriate context, both understandings are correct. It is deemed appropriate that the opinion regarding the crime of money laundering as a follow-up crime is correct when placed in the context of the actual occurrence of the crime. The belief that money laundering is a separate crime is true when viewed in the context of some of the evidence against money laundering offenses. This end can be worked with the accompanying contentions (Imaniyati, 2017).

In contrast, the position of the crime of money laundering from the perspective of factual offenses is cited in the perspective of the crime of money laundering as a follow-up crime. so that this perspective can see that in the event of a money laundering crime, there must be proceeds of crime against which actions are committed that cause the results of the crime to be hidden or disguised. As for the proceeds of the crime, it must have come from a crime, as stated in the saying that was previously stated that no money laundering without predicate offenses. The proverb is factually an undeniable necessity. However, if the byword is used as an absolute guideline from an evidentiary point of view, it is very possible that confiscation and asset recovery will not be effective against money laundering crimes. Even though the main orientation in the formation of Law No. 8 of 2010 concerning the Prevention and Eradication of Money Laundering is maximizing the confiscation and recovery of assets, both to be returned to the state (in the case of crimes where the victim is the state or crimes without direct victims, such as gambling and narcotics), as well as returned to those who are entitled (in the case of crimes where there are direct victims, such as theft, embezzlement,

fraud, etc.) (Roeroe, 2022).

4. Conclusion

The act of transforming money from illegal (haram) sources into money that appears to be from God is known as money laundering. Recent developments demonstrate that the proceeds of various crimes can also be used for money laundering or laundering. This can be overcome by putting off transactions on assets that come from criminal acts, blocking assets that are known to come from criminal acts, and temporarily stopping money laundering transactions.

Law No. 3-10, Articles 3-10 On the Prevention and Eradication of Money Laundering Act of 2010, the following are the penalties for TPPU infractions: With the intention of concealing or disguising the origin of Assets, anyone who places, transfers, diverts, spends, pays, grants, deposits, takes abroad, changes form, exchanges with currency or securities, or performs any other action on Assets that he knows or reasonably suspects constitute the proceeds of crime as referred to in Article 2 paragraph (1) shall be punished with ten billion rupiah, which is 10,000,000,000.00).

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