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Construction of Anti-Money Laundering Policy in Indonesia from an International Law

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Abstract

This study aims to carry out the political construction of the Indonesian government's anti-money laundering criminal policy in dealing with the challenges of handling money laundering cases and how Indonesia adopts international legal standards in local policies dealing with the problem of money laundering. The research uses a qualitative approach with descriptive methods and the perspective of global criminology theory. The results of the study found that there is a need for a national legal conception following international legal standards related to the criminalization of money laundering (TPPU). The preparation of the Law on the Prevention and Eradication of the Crime of Money Laundering (PPTPPU) was not born out of coercion and global political pressure, but because of Indonesia's need for legal instruments universally applicable and can reach across jurisdictions. Within this framework, Indonesia needs to revise the PPTPPU Law to sharpen the model and relevance of dealing with money laundering offenses by involving many parties through in-depth research and evaluation.

Keywords

Anti-Money Laundering, International Law, Criminal Policy, Crime of Money Laundering, PPTPPU Law.

INTRODUCTION

In June 2001, the Organization for Economic Cooperation and Development (OECD) through the Financial Action Task Force (FATF) on Money Laundering included Indonesia in the list of non-cooperative countries and territories (NCCTs) related to the eradication of money laundering crimes (Ariawan, 2008). Indonesia's entry into the FATF blacklist is based on the assessment that Indonesia is considered uncooperative in eradicating money laundering and is late in criminalizing money laundering (TPPU). An opinion says that Indonesia needs money to boost the economy; therefore, it ignores the origin of foreign sources of funds (Tunggal, 2014). Because the NCCTs have blacklisted Indonesia for being a "money laundering paradise", Indonesia is threatened with countermeasures by FATF member countries. The sanctions can be in the form of obstacles to banking transactions such as transfers, rejection of letters of credit (L/C), rejection of foreign loans, prohibition of opening bank branch offices abroad, and the assumption that all transactions originating

from that country are suspicious transactions. (Waluyo, 2009). Indeed, this negative predicate not only makes the image of the nation and state become bad but also can reduce the world's trust in the association of the international community. The consequence is that other countries will close themselves off politically and economically. Because the FATF is the most influential institution in the world and has the resources to suppress any countries that do not have an international standard anti-money laundering regime. In addition, the FATF is the initiator to identify which countries and regions are not cooperative in fighting money laundering (Soewarsono, 2006).

To get out of the FATF blacklist, Indonesia made some efforts to become a member of the Asia-Pacific Group (APG) on Money Laundering during the reigns of Abdurrahman Wahid and Megawati Soekarnoputri. The APG has produced several conventions, one of which is The United Nations Convention against Illicit Traffic in Narcotics, Drugs, and Psychotropic Substances, or known as the Vienna Convention of 1988. This convention has also been ratified by more than 167 countries and is a milestone in the birth of an international anti-money laundering regime. (Siahaan, 2002). In addition, Indonesia has taken various legal and political steps following FATF recommendations by enacting an anti-money laundering law and treating money laundering cases as criminal acts. However, FATF considers this achievement insufficient and still categorizes Indonesia as a "surge" for money laundering, therefore is not able to accept Indonesia as a member of the FATF. President Susilo Bambang Yudhoyono (SBY), who was in office from 2004, felt that the FATF's treatment of Indonesia was very unfair. SBY then specially sent several ministers to submit a protest to the governments of the FATF-determining member countries, namely the United States, Canada, Japan, Britain, France, Brazil, New Zealand, and Australia. Unfortunately, SBY's protest move did not affect the FATF's decision to continue to publish the list of high-risk and uncooperative countries for Indonesia (Detik.com, 11 January 2005). Indonesia has seen that the FATF treatment is different for non-member countries.

The release of the FATF blacklist basically aims to reduce the financial system's vulnerability to money laundering by ensuring that all financial centers adopt and implement money laundering prevention, detection, and prosecution measures according to internationally recognized standards. Countries included in the blacklist are supposed to immediately mend the deficiencies in money laundering regulations. Every transaction originating from a country included in the NCCTs list gets special attention because it is considered a high-risk country (Condrokirono, 2009). Inevitably, developing countries are forced to deal with developed countries that are members of the FATF, as a result, they are easily "conquered". At that time, Indonesia experienced difficulties. There was an in-depth examination of banking transactions in Indonesia by Indonesian partners abroad because all of them were considered suspicious transactions. This in-depth examination is a direct or indirect pressure that affects the economy. The longer Indonesia's position is included in the NCCTs list, the more widespread disruption to Indonesia's trade activities will be, especially in cross-border trade such as export-import using banking services. The government then amended Law no. 15 of 2002 became Law no. 25 of 2003 concerning the Crime of Money Laundering (TPPU). The birth of the Money Laundering Law No. 25 of 2003 also did not make Indonesia out of the list of NCCTs because it was considered far from international standards. This is different from Singapore, which is a member of the FATF but does not yet have a law on money laundering crimes.

The main obstacles faced are cases and problems with financial activities whose settlements are considered unsatisfactory. Such as the case of the fictitious L/C of Bank BNI amounting to Rp1.3 trillion, the low level of compliance in the financial services sector such as banking, insurance, and pension funds. Even out of 4,000 financial service institutions in Indonesia, only 67 banks, three foreign exchange companies, one financing institution, and one insurance company reported suspicious financial transactions. Meanwhile, the Financial Transaction Reports and Analysis Center (PPATK) received 1,410

suspicious reports, 253 of which were suspected of money laundering, then later handed over to the National Police and the Attorney General's Office. On the other hand, the FATF also expects Indonesia to have a law on mutual legal assistance with other countries, whose draft submitted by the Minister of Law and Human Rights Hamid Awaludin to the President in November 2004 (BPKP, 12 January 2005). Indonesian government also conducts high-level lobbying in international forums. The steps taken by SBY are to ask for support from several foreign countries. SBY wrote letters to heads of government of friendly countries such as the US, Australia, New Zealand, Japan, and Hong Kong to explain Indonesia's position at the FATF session held in Paris in February 2005. The high-level approach process almost coincided with the planned arrival of the FATF reviewer team to firsthand see the policy commitments and the handling of money laundering in Indonesia (BPKP, 12 January 2022). The effort finally paid off. At the FATF session in Paris on 9-11 February 2005, Indonesia was out of the NCCTs' blacklist. To maintain the position so as not in the list of NCCTs, FATF suggests six recommendations for Indonesia. They are 1) increased reporting from small banks – related to the fact that there are still many BPRs that have not reported their transaction positions; 2) increase in the capacity and capability of law enforcement officers – related to the increase in suspicious transactions; 3) accelerate the settlement of cases of money laundering; 4) continue the ongoing audit of financial services institutions – from 132 national banks, 72 of them have provided financial transactions; 5) immediately make a Law on Reciprocal Cooperation with other countries; and 6) strengthening the effectiveness of PPATK's work (Detik.com, 11 February 2005).

In October 2010, President SBY strengthened Indonesia's commitment to combating money laundering offenses by revising Law no. 25/2003 concerning ML into Law No. 8/2010 concerning the Prevention and Eradication of the Crime of Money Laundering (PPTPPU). The amendments to the law adjust to the development needs of law enforcement, practices, and international standards. Thus, it is assumed that Law No. 8/2010 concerning PPTPPU is following "international standards". The issuance of Law No. 8 of 2010 concerning PPTPPU is a criminal policy as a social reaction to money laundering crimes (cf. Hoefnagels, 1969). Efforts to combat money laundering crimes with the issuance of the PPTPPU Law are not limited to enforcing the anti-money laundering regime but are reinterpreting the crime of money laundering (Soetujono, et al, 2020).

According to the Corruption Eradication Commission (KPK), there are four modes of money laundering in Indonesia seen as extraordinary crimes (Tempo. co, 19 March 2022)

1. *Loan back mode*. It is done by borrowing their own money. This model is detailed again in the form of direct loans, namely by borrowing money from foreign companies in the form of shadow companies. The directors and shareholders of this company are himself. The perpetrator will borrow money from foreign bank branches on a standby letter of credit or certificate of deposit. The loan was then not returned, and as a result, the bank guarantee was disbursed.
2. *International trade transaction mode*. In principle, it uses the means of L/C documents. Considering that the focus of bank affairs is on the bank's documents and does not recognize the condition of the goods, it can become a target for money laundering. The practice is to make invoices of large value for items of small value.
3. *Cash smuggling mode*. It is done in parallel with other countries. The perpetrators smuggled the physical cash out of the country. Since there are risks such as being robbed or lost, a mode of electronic transfer is used, which means transferring from one country to another without moving physical money.
4. *Certain investment modes*. They usually occur in the business of dealing with goods, whether in the form of paintings or other antiques. For example, the perpetrator buys a painting and then sells it at a high price to someone who is, in fact, the perpetrator's man.

There are assumptions that the rampant mode of money laundering cases in Indonesia is due to the existence of transnational organized crime activities carried out by people who control and have special knowledge of the world of financial service providers. This assumption is based on the increasing trend and pattern of money laundering committed by money laundering actors. Meanwhile, the legal instrument for money laundering cannot be applied purely, because it still requires the existence of a criminal act that can result in all or part of the assets being confiscated. Likewise, if reverse evidence is applied by the defendant, it will be detrimental to the prosecution process, considering that it is possible for the perpetrator to show the source of his wealth which seems reasonable. In the language of Gilmore (1995), such financial engineering practices can be carried out with the help of gatekeepers.

The latest money laundering case in Indonesia was through Bitcoin in 2021, where the Attorney General's Office suspects three PT Asabri suspects have hidden the proceeds of their crimes through cryptocurrency transactions or bitcoin. Bitcoin is a cryptocurrency that uses peer-to-peer technology to operate without any central authority or central bank, like the currency of a country in general. Money laundering through bitcoin transactions is a relatively new mode in corruption cases (Bestari, 2021). Indonesia has a high commitment to combating money laundering crimes. It shows seriousness in the association of the global community for the sake of the welfare of society. It is in line with the thoughts of Beerkens (Fitryanti, 2015) that the relationship between nation-states is a process to underlie social arrangements, such as politics, rights, values, norms, ideology, identity, citizenship, and solidarity. Berkens sees that globalization is a massive acceleration and expansion of the transnational flow of individuals in the form of products and financial information. This fact makes world leaders have to adapt to changes in the new world to be able to join and survive in global competition.

Globalization blurs state boundaries in terms of a country's criminal policies. It is difficult for a country to claim that it adheres to a single legal system in absolute terms. Thus, globalization brings changes in the legal system, such as the ratification of various international conventions that are part of the national legal system. There is no exception in understanding the meaning of money laundering, where the scope of the crime may experience a shift or expansion in line with the development of new modes of disguising the proceeds of crime. However, the money laundering laws applied globally require several interrelated elements with national laws. Between developed and developing countries, some factors make the law not fully applicable in the same way. It might be because the formation of law and its implementation are inseparable from influences outside the law, such as economic, political, and cultural factors (Chambliss and Seidman, 1971). Developing countries like Indonesia tend to be "forced" to conform to global standards. In addition, the whole construction process of making the money laundering law in Indonesia does not seem to be a government initiative, instead, it is from the pressure as well as the threat of the FATF to include Indonesia on the NCCT "blacklist". This study seeks to highlight the alignment of Indonesia's national legal system with the international consensus on anti-money laundering criminal policy models and mechanisms. Indonesia's membership has not been admitted into the auspices of the FATF in the last 18 years, naturally, it is an essential question in Indonesia in Indonesia's efforts and commitments to prevent and eradicate money laundering.

LITERATURE REVIEW

Previous Researches

Soft law is legal instruments that do not have any legally binding force (Druzin, 2017). While soft law might not have legally binding and coercive force however, Druzin (2017) found that soft law exhibits strong network effect that creating voluntary adoption and compliance. With this, soft law has importance implications for international governance that can help policymakers to stimulate legal harmonization towards other countries (Druzin, 2017). Ebikake (2016) also found soft law role in AML. First, soft law

enabled to promote the best guide for other countries to follow that help other countries to create guidelines for their AML law (Ebikake, 2016). Second, many countries choose to adopt formal soft law (treaty obligations) to provide international cooperation in regard of AML (Ebikake, 2016). Therefore, soft law is a cornerstone of international efforts to control money laundering that impacted in the process of domestic law convergence and international cooperation. Ekwuene (2021) further cemented the importance of soft law in AML by saying that hard laws are not enough to fight corruption and money laundering crimes which most of times are transnational crime. Ekwuene (2021) argued that soft laws contributed to reducing corruption and money laundering due to countries implementation of soft laws' ideas into their respective legislations. However, Ekwuene (2021) found that soft laws bodies are not very inclusive even if their existence has helped indirectly toward the issues at hand.

Soft law usually created by soft law bodies. One of the soft law bodies in AML regime is Financial Action Task Force (FATF). FATF was created by the G-7 members which some members are European Union (EU) and United States of America (USA). Their guidelines in AML are tightened after the attack of 9/11 (Kingah & Zwarties, 2015). Based on this how both EU and USA played a role in creating guidelines for FATF, Kingah and Zwarties (2015) mentioned that often times EU and USA become the testing ground for global state replication in regard combating AML which can create issue for other countries from another sphere. However, Clarke (2020) found that FATF recommendations have important role towards the establishment of global AML regime despite the inconsistency of state-level AML frameworks.

Many Asian countries have implemented FATF to the point in creating a regional organization to monitor the implementation of FATF recommendations called Asia Pacific Group on Money Laundering (APG). However, Hameiri & Jones (2014) have two related arguments about the FATF regime. First, the FATF recommendations and APG monitoring are highly prescriptive, requiring legal changes, and the establishment of dedicated national agencies (Hameiri & Jones, 2014). Second, the threat of blacklisting and associated sanctions clearly pressured many Asian states to adopt FATF's recommendations however, this does not indicate a straightforward 'success' (Hameiri & Jones, 2014). Sotande (2018) also added that FATF standards and recommendations requiring countries to adopt the same standards and recommendations without trying to see each country's culture and context. Therefore, ratification and compliance toward these recommendations in developing countries resulting in various impediments and vulnerabilities of the respective reporting institutions (Sotande, 2018). In terms of FATF regime in Southeast Asia, Wong (2013) said that in adopting FATF policies, countries in Southeast Asia have more complex challenges than European and North American countries. Owing to the fact that countries in Southeast Asia tend to be more heterogeneous in terms of culture, language, legal system, attitudes, and political orientation.

Indonesia itself was once blacklisted by FATF for deemed as not complying FATF rules until 2005. This due to the President at the time revised the Law no. 25/23 concerning ML into Law no. 8/2010 concerning the Prevention and Eradication of the Crime of Money Laundering (PPTPPU). Since their first effort in amending the existing law in 2003 did not become fruitful due to FATF deemed the law is still problematic in the law itself and in its implementation. In terms of problematic law, Eddy (2005) argued that institutional design, the thoroughness of new institutions and rules are integrated, the extent of resources, and self-interest should be directed before differences in legal culture. Based on Eddy (2005) research found that institutional design choice and careless drafting also played a major role in creating an ineffective AML regime in Indonesia. At the same time, Indonesia has weak structure and capacity legal system that hindered in any law implementation (Eddy, 2005). Rusmin & Brown (2008) also try to see Indonesia's AML stakeholder viewpoints in Indonesia's AML legislation. Based on the research, most respondents feel that the costs

of combating AML in Indonesia surpass the benefit that it was given since it's expensive burden and many community groups are still not familiar with AML and/or AML legislation (Rusmin & Brown, 2008). Rusmin & Brown (2008) also found that PPATK is not strong enough to stop AML in Indonesia.

In 2012, Rusmin & Brown tried to see the AML regulatory context in Indonesia. The reserach founf that that Indonesia agencies in AML regime are satisfied with the "know your customer" (KYC) regulation effectiveness. This regulation proved to heighten Indonesia community and stakeholders in AML regarding money laundering itself. However, there is still room to improve regarding foreign bribery crackdown (Rusmin & Brown, 2012). Go & Benarkah (2019) also found that the main cause for Indonesian Government's incompetence in implementing AML regime was the legal profession's ethical regulations and laws itself. The AML regime in Indonesia itself was found to be contradictory by many ethics' regulations and laws itself (Go & Benarkah, 2019). The research also mentioned that the current AML regime was created with lacking input from respective profession in AML and needs to be immediately remedied to rectify current AML regime. However, Indonesia in 2018 adopted FATF recommendations by creating regulation regarding Beneficiary of Limited Liability Companies in order to prevent and eradicate Limited Liability Companies as a tool used to carry out money laundering activities (Ginting & Chairunissa, 2021). Beneficiary of Limited Liability Companies capable of taking action that fulfills all elements of money laundering. However, Ginting & Chairunissa (2021) found that this implementation in Indonesia is not directly proportional to the issuing regulations since some agencies still do not follow the rule. To compare with neighborhood country AML Law, Malaysia forces their bankers to comply with increasing number of regulations and guidelines (A. & Abdul, 2022). Malaysia AML laws put both legal and administrative loads on bankers in Malaysia in which increasing the possibility of bankers facing serious legal issue if found violating or not complying with their rule (A. & Abdul, 2022). Indonesia and many countries have adopted AML regulations. Nevertheless, Pol (2020) says that criminal enterprises can still retain up to 99.95% of the money from the proceeds of money laundering crimes that they commit. Therefore, Pol (2020) sees that the modern anti-money laundering movement is fundamentally ineffective, with evidence of policy failure obscured by idiosyncratic "effectiveness" evaluations poorly connected with policy design principles. Pol (2020) sees that the anti-money laundering experiment is markedly ineffective, as evidenced by the absence of meaningful "official" success metrics

Money Laundering

Money laundering crime is an act to be able to hide or disguise the origin of money or assets resulting from criminal acts through various financial transactions so that the money looks as if it came from legal or legal activities (Berutu, 2019); the turn of dirty money into clean money (McDonell, 1998); or activities aimed at concealing unauthorized sources of money (Savona, 1997). The term money laundering itself was first used in the US in 1920 as a way for the mafia to mix the proceeds of crime with money obtained legally. The biggest investment was in a laundry company called Laundromats, which was well-known at that time in the US. The laundering business was progressing, and various proceeds of crime were invested in this business. According to Ebikake (2016), there are stages of money laundering called the placement stage, layering stage, and integration stage. The placement stage is the stage of placement where cash obtained directly from criminal activities is initially placed in a financial institution or used to purchase assets. Placement is the illegal transfer of cash from the location of acquisition to avoid detection by the authorities, such as 1) converting it into assets such as traveler's checks, postal money orders, and bank drafts; 2) spreading money across multiple accounts, each involving a small amount just below the level that might trigger suspicious transaction reports; and 3) placing cash into legitimate businesses such as pubs, clubs, casinos,

jewelry, auction houses and various other forms, which can then filter money into the system even if additional taxes have to be paid.

The layering stage is where there is the first attempt to hide or disguise the source of the ownership of funds. Thus, layering is the term given to concealing the origin of money by sending it through different accounts, shell companies, and trusts (especially in jurisdictions that still allow a substantial degree of anonymity) so that any audit trail is lost or difficult to follow. Layering may be partially done through repeated money transfers between accounts with financial institutions in different jurisdictions, particularly those with low levels of anti-money laundering (AML) compliance and poor law enforcement cooperation with other countries. It may involve the use of multiple transactions and the use of a corporate structure as a cover to hide beneficial ownership (BO) details. Finally, the integration stage is the stage where money is integrated into the legal economy, and financial systems and assimilated with all other assets in the system. This stage completes the money laundering process by moving now apparently clean funds to reputable banks and financial institutions from where criminals can withdraw funds or invest lawfully.

Globalization and Global Criminology

There is a theoretical view stating that globalization is a reality that has real consequences for how individuals and institutions globally operate. Globalists believe that nations or countries and local cultures will disappear in the face of a homogeneous global culture and economy. It refers to the views of Cochrane and Pain (Jati, 2013) in which permissive globalists think that globalization is a negative thing because everything is actually colonialism from western countries, especially America as a superpower that forces homogeneous culture and consumption. However, there is optimism that globalization can bring about a responsible and more tolerant society. Findlay (1999) once underlined that globalization is a characteristic of today's culture. However, for him, so-called crime and its control are controlled by international institutions. Crime and the impact of crime are part of globalization. In globalization and crime, the important thing is the internationalization of capital, economic unification, and the generalization of consumerism. If crime is considered a market condition, its position on globalization becomes even more important as an analytical context for contemporary research on crime and control.

In the 20th century period, the study of criminology began to look at the transnational and global dimensions of crime and realized the limitations of traditional law enforcement institutions, in local, regional, and national contexts in responding to changing dimensions of crime which later gave birth to global criminology. Historically, progressive or leftist criminologists have tended to focus on crimes of the powerful. Transnational crime is a form of crime by organizations or institutions that have a certain level of power or resources so that they can commit crimes effectively on a global scale. Studies conducted by progressive criminologists also tend to touch on issues of global economic politics, so they are very likely to intersect with the issue of transnational crime and its control. According to Friedrichs (2007), global characterization focuses on globalization and its consequences on crime and law enforcement, as well as the role of the global economy and its regulation in the context. He emphasized that several important concepts need to be considered in the global criminology analysis of transnational crime. First, the concept of sovereignty (sovereignty) is the full power of the state over its territory under its national boundaries. This concept becomes important to note that in this regard, claims of sovereignty, relating to globalization and transboundary crimes have become problematic or irrelevant. Second, the concept of nationalism (nationalism) is defined as a priority over the interests of the state and its cultural values. From a certain point of view, nationalism can be seen as a form of social pathology in the

era of globalization. Finally, the concept of legitimacy refers to the order of authority that is perceived as valid and must be obeyed.

Criminalization dan Criminalization Policy

Turk (1966) put forward his theory of criminalization and normative-legal conflict. In Turk's view (Cullen & Wilcox, 2010), criminalization results from a conflict between two camps in society, which he calls authority and subjects. The authorities in question are policymakers, in this case, judges, prosecutors, police, and law-making officials. Meanwhile, what is meant as a subject is all components of society that are affected by the policies formulated by the authorities. The subject is then separated from the authority, because of its inability to influence the legal process. Furthermore, Turk asserts that the potential for conflict between authority and subject will always exist. However, not all components of authority have the same power in influencing the law. Leading authorities, such as the police, have the greatest power in criminalizing the subject. In certain situations, the determining factor is the possibility of conflict because of two types of norms; social norms and cultural norms. Cultural norms are defined as laws, procedures, and policies formulated (law as written). Meanwhile, social norms are actual behavior or law applied in life (law as enforced). In Turk's view, criminalization occurs due to the influence of three factors, namely: (1) The meaning by the main law enforcement officers (police) for prohibited behavior, and the extent to which APH at the next level (prosecutors and judges) agree with the views of the police. (2) The condition of the relative power of law enforcers and law breakers. Finally, (3) the factor referred to as realism of the conflict moves. This factor is interpreted as how likely an action taken by the authority or subject is to affect the potential success of each group. To deal with crime, criminal policy politics is formed (Muladi, 2002). A criminal policy can be carried out repressively either through the "penal" criminal justice system or with "non-penal", which means it goes through various prevention efforts without involving the criminal justice system.

Hoefnagels (1969) emphasizes that criminal policy is a social reaction to crime in the form of the establishment of an institution. Within the scope of this criminal policy, Hoefnagels includes: (a) the application of criminal law means; (b) the prevention without punishment; and (c) the efforts to influence the public's view of crime. Hoefnagel has shown dimensions of criminal policy and defined criminal policy as 1) the part of science related to a reaction to crime; 2) the complexity of science related to crime prevention; 3) the political steps in determining a human act that will be determined as a crime; 4) a comprehensive rational response to the phenomenon of crime. The four dimensions of the criminal policy above are condensed by Hoefnagels by defining criminal policy as a rational organization of public reaction to crime. Thus, efforts to tackle crimes directed against state ideology begin with the creation of laws (criminalization). Within this scope, it is necessary to have a legislative body policy to formulate prohibited acts as carefully as possible, as well as the elements of criminal acts and types of legal sanctions, both penal and non-penal (Mirzana, 2012).

METHOD

This study uses a qualitative approach with the aim of understanding a hidden problem behind the phenomenon under research (Moleong, 2004). Qualitative research seeks to understand natural social phenomena by creating a comprehensive and complex picture possibly presented through detailed reports (Walidin, Saifullah & Tabrani, 2015). Using a qualitative approach, the researchers want to photograph the criminal policy of money laundering in Indonesia as stated in the PTTPPU Law. Researchers also want to see the extent to which global institutional pressure occurs in the process of making money laundering criminalization policies.

This study uses a descriptive method with the aim of describing a symptom, event, and incident that occurs, in this case, the crime of money laundering, to find solutions to problems for anti-money laundering criminal policies in Indonesia (cf. Sudjana and Ibrahim, 1989). Researchers collected research data through literature study, in-depth interviews, and focus group discussions (FGD) (Kuswarno, 2009; Neuman, 2013; Creswell (2009). The literature study was conducted by collecting journals, articles, and online news related to research problems. Meanwhile, interviews were conducted with six informants from six different agencies in April-May 2022. To deepen the results of the interviews, the researchers held an FGD with the informants in August 2022. The selection of these informants was done through a non-random sampling method, namely purposive sampling (Sugiyono, 2010) based on their expertise and knowledge related to the main research problem. To analyze the data, the researchers used the triangulation technique (Denzin, 1970). The triangulation method is done by comparing data in different ways. Furthermore, the data are interpreted using relevant frameworks and theories. Researchers also used inductive analysis techniques through taxonomic analysis methods that provide the foundation for the development of descriptive concepts, models, theories, or hypotheses (Sandelowski, Voils & Barosso, 2006).

RESULT AND DISCUSSION

Conception of the Internationalization of the Crime of Money Laundering

Money laundering is a transnational crime that can involve two or more state jurisdictions at one time. The urgency to raise the issue of money laundering as an international issue (internationalization) is based on the need for international norms and standards in dealing with money laundering in accordance with its cross-border character. This is inseparable from the impact of globalization which creates new contexts and benefits crime; a consequence of what Harvey calls "time compression and space annihilation". Commercial crime relationships, in particular, are waived to take advantage of opportunities, not unlike those enjoyed by multinational corporations outside the jurisdiction of individual countries and the limitations of a single market. Crime is a feature of emerging global culture as is every other aspect of it. Globalization is changing our understanding of culture and its significance as the context in which crime operates (Findlay, 1999).

Criminal organizations in the US recognize that money laundering is a very lucrative criminal business. However, to prove the crime of money laundering is not easy to do, because in these business activities, many parties are involved and commonly called criminal class professional money launderers. They consist of various professions ranging from bank employees and managers, accountants, legal advisors, law enforcers, and financial market supervisory authorities, to members of other official institutions. Although they are not directly involved in money laundering crimes, they actively participate in helping carry out various activities such as hiding data or information, transferring or transferring the proceeds of crime, carrying out administrative activities, and others (Sastroatmodjo, 2004).

The development of money laundering activities provides incentives or facilities for money laundering actors to increase their crimes (predicate crime), for example, corruption, narcotics trafficking, smuggling, illegal logging, and various other crimes. These crimes can involve or generate huge amounts of money or assets (proceeds of crime). Money laundering, therefore, is no longer a national threat to a country but has become a concern for multinational interests or many nations. These transnational and global dimensions of money laundering crime are along with the shift in the study of 20th-century criminology. Criminologists are aware of the limitations of traditional law enforcement institutions, both in local and national contexts in responding to the changing dimensions of crime which later gave birth to global criminology (Friedrichs, 2007).

Money laundering is always evolving along with the development of information technology and finance. The use of technology allows money laundering crimes to commit with a more sophisticated, complicated, and professional modus operandi (Perbawa, 2015). The crime of money laundering does not directly harm certain people or specific companies, on other words, at first glance, there are no victims. It is unlike the case of robbery, theft, or murder, where there are victims and, at the same time, the criminal harms the victims. Therefore, Billy Steel sees that money laundering: "seems to be a victimless crime".

Establishment of an International Legal Authority

The country's leaders then agreed to form a task force called FATF on Money Laundering in 1989 under the auspices of the OECD. Through the FATF, countries seek to develop international standards for anti-money laundering (AML) regimes. Yet, the FATF so far has still had some weaknesses, for example, too high costs that are not balanced with profits for private entities, as well as the shifting of money laundering facilities to non-bank institutions whose regulations are not as comprehensive as banking, such as gambling, payment applications, bitcoin, deposits, consulting firms, humanitarian organizations, stock trading, property, mergers and acquisitions, money exchange services, and many more (Teichmann, 2020; Achim & Borlea, 2020).

In 1990, the FATF issued 40 Recommendations as a comprehensive framework for combating money laundering crimes. When the New York WTC tragedy occurred on September 11, 2001, the FATF in October 2001 issued 8 Special Recommendations to combat the financing of terrorism in every country. On June 22, 2003, the FATF issued a revised 40 Recommendations, and in October 2004 issued 9 Special Recommendations on cash couriers. Although the 40+9 Recommendations are not legal products, they are widely recognized by the public and international organizations as the international standard for combating money laundering and terrorism financing crimes. Currently, the FATF consists of 31 countries and two regional organizations. One of the roles of the FATF is to establish policies and measures needed to fight money laundering in the form of recommendations for actions to prevent and eradicate money laundering. There are 40 recommendations for the prevention and eradication of money laundering issued by the FATF (FATF Forty Recommendations). The recommendations cover four areas, they are the legal system, financial and non-financial business measures, institutional measures, and international cooperation. This institution has also issued nine specific recommendations to eradicate terrorism financing (FATF Eight Special Recommendations on Terrorist Financing), including one specific recommendation on cash couriers issued in 2004.

To evaluate the level of compliance of a country with its recommendations, the FATF issued the NCCTs Initiative aiming to identify countries that are not cooperative in efforts to prevent and eradicate money laundering. Evaluation based on the NCCTs Initiative uses 25 criteria to know the practices and provisions in a country that are still not in line with the FATF recommendations. The twenty-five criteria are divided into four major groups, as follows: (1) Loopholes in financial regulations (11 criteria); (2) Obstacles raised by other regulatory requirements (3 criteria); (3) Obstacles to international cooperation (8 criteria); and (4) Inadequate resources for preventing and detecting money laundering activities (3 criteria). This evaluation is carried out by the FATF on countries that are considered to have the potential for money laundering practices.

Contextualization of International Law

As a country that is seen as having potential as a place for money laundering practices to take place, Indonesia is not excluded from the FATF's assessment of the fulfillment of the recommendations it has issued. Based on the evaluation conducted by the FATF based on the NCCTs Initiative, in June 2001 Indonesia and 5 other countries

were added to the list of NCCTs. According to the informant, Indonesia should need an ML regulation because it has been ratified by the United Nations so it has a global perspective on ML prosecution. Indonesia has also participated in the convention on money laundering in which the conference instructed mandatory offensives for countries that ratify the prevention of money laundering in their respective countries. However, several regulations in the FATF still cause problems related to state sovereignty because non-FATF member countries that are not involved in making international standards are actually forced to apply them. It is a form of intervention in the internal affairs of other countries which clearly contradicts the sovereign equality principle and non-intervention in international law. Deviations from the principle of state sovereignty are intended so that the international standards that have been formulated by the FATF can function effectively. In Myanmar, for example, anti-money laundering governance has reflected a broader shift to regulatory regionalism, particularly in economic matters, as its implementation and functioning depend on the re-scaling of domestic institutions that ostensibly function within regional governance regimes (Hameiri & Jones, 2003). 2015).

Today, the traditional understanding of state sovereignty should have loosened, especially in order to solve global problems such as money laundering. The only thing that must be adhered to is the principle of non-discrimination between developed countries against developing countries and third-world countries. The reason is that the eradication of money laundering will not be effective if it is still strict in applying territorial principles. To address the problem of money laundering, which is very complex and sophisticated, a breach of the territorial principle is inevitably. Although the development of the APU regime has taken place through the preparation of international standards, it is still not free from various legal problems, for example, opposition to deviations from general principles of law concerning state sovereignty and criminal jurisdiction, in addition to its enforcement practices. The first international instrument to criminalize money laundering was the 1988 United Nations Convention relating to the illegal distribution of drugs and psychotropic substances. After that, several other international instruments emerged that also criminalized money laundering, such as 1) the 1990 Strasbourg Convention on money laundering; 2) the 1999 United Nations Convention on the financing of terrorism; 3) the 2000 United Nations Convention on transnational organized crime; and 4) the 2003 UN Convention on corruption.

Criminalization of Money Laundering

Theoretically, money laundering deserves to be criminalized globally because it can affect state losses in political, social, and economic aspects. Criminalization is not only a repressive measure in eradicating money laundering but it also contains prevention aspects, both special and general prevention. It is because the system and mechanism of money laundering law enforcement or the APU regime are different from ordinary criminal law enforcement. Disclosure of criminal acts and perpetrators of money laundering is more focused on tracing the flow of funds (following the money) and tracing the flow of wealth (following the assets) because it is a continuation of the predicate crime. Money laundering is part of a series of interrelated crimes. An informant from the Ministry of Law and Human Rights, Edward Omar Sharif Hiariej, called it *causa proxima*, the cause leading to the following result.

Article 2 paragraph 1 of the Money Laundering Law explains that the proceeds of money laundering are assets obtained from criminal acts such as corruption, bribery, narcotics, psychotropic substances, labor smuggling, migrant workers, banking crimes, capital markets, and insurance, customs, human and gun traffickings, terrorism, kidnapping, theft, embezzlement, fraud, counterfeiting money, gambling, prostitution, taxation, forestry, and the environment.The prosecution of money laundering offenses through the two follow-the-money strategies is the easiest way to find the type of crime, the perpetrators of the crime, and the place where the proceeds of the crime are hidden or disguised. This approach is inseparable from the money laundering paradigm that the

proceeds of crime are the "lifeblood of the crime", meaning that the proceeds of crime are the blood that sustains the crime itself, as well as the weakest point of the crime chain.

Efforts to cut the chain of money laundering offenses, apart from being relatively easy to do, will also eliminate the motivation of the perpetrators to repeat the crime. The loss of motivation is because the perpetrator's goal to enjoy the proceeds of his crime is hindered or difficult to carry out, and organized crime perpetrators no longer have the ability to continue their activities because their resources have been taken and confiscated for the benefit of the nation-state. Efforts to cut the chain of money laundering crimes can also be carried out by state authorities through quasi-legal instruments that have no legal force, such as resolutions, declarations, and non-binding guidelines made by governments and private organizations. Although these instruments have no legal force and do not employ coercive mechanisms, they are often widely adopted and generally followed as preventive guidelines. So far, the anti-money laundering regime consists of both preventive and repressive measures. Regarding preventive measures, the FATF plays an important role in implementing and enforcing its 40 Recommendations. Although, at the implementation level, 40 Recommendations have also been distributed to non-member countries (Amrani, 2014).

Global Pressure on Anti-Money Laundering Policies in Indonesia

The high dependence of local start-ups on foreign capital resources has the potential to dwarf Indonesia's financial politics so that it tends to follow the interests of foreign investors. In the context of money laundering, this dependence has the opportunity to become a gap for foreign capital owners to launder money through legitimate businesses in Indonesia and even state actors cannot interfere. On the one hand, developing countries need foreign capital inflows for economic gain, on the other hand, foreign investors see potential benefits from regulations regarding capital flows and the ability of state actors to use their capacities in drafting domestic laws in their countries (Kraft, 2014).

Not only do foreign investors but also domestic investors have this neoliberal absolute view of the free flow of capital. In several uncovered cases, it was found that many Indonesian businessmen had hidden their money in tax havens. The government has been trying to return the money through a tax amnesty program. There are two tax amnesty programs implemented, the programs in 2016 and in 2022. The Voluntary Disclosure Program (PPS) or Tax Amnesty volume II ended on 30 June 2022 has collected net assets of Rp594.82 trillion from 247,918 taxpayers. This value is much smaller than Tax Amnesty in 2016 with net assets reaching IDR 4,854.63 trillion from 956,793 taxpayers (Dataindonesia. id, June 14, 2022).

No Global Coercion

The process of globalization leading to the establishment of global governance is characterized by the formulation of "global standards". Global standards are needed to manage problems that cannot be solved by one separate country. It is essential to organize cooperation between or among countries that cross the boundaries of individual countries. It has been recognized that Forty-40 FATF Recommendations as international standards play important roles in preventing and combating money laundering. These standards are set by industrial countries that join the G7 countries. The FATF provides detailed guidance on how to formulate and implement measures to combat money laundering. Each country must take action if considered necessary and inevitable (Amrani, 2014). The FATF once pressured Indonesia because it was considered uncooperative in eradicating money laundering in the world and was late in criminalizing money laundering. Many banks in Indonesia do not publicly report their transactions and the quality of law enforcement is weak against money laundering practices. The stigmatization of Indonesia as a tax haven country certainly has an impact on foreign capital flows in order to boost economic growth which was hit by the 1997 monetary crisis. Like it or not, Indonesia must comply with the

FATF international provisions regarding money laundering. One of them is by revising the 2003 Money Laundering Law to become the Money Laundering Law that is in force until now. The government at that time claimed that all legal instruments in the new law had complied with "international standards".

Informants from the Ministry of Law and Human Rights see the formulation of the Anti-Money Laundering Law of international standards as urgently needed by Indonesia. It is because Indonesia has ratified the provisions on money laundering in the United Nations and participates in conventions on money laundering in their respective countries. Thus, there is a reciprocal relationship between the Indonesian government and global authorities, such as the FATF, in enforcing the ML provisions. Moreover, in the era of advances in financial technology that allows criminals to make electronic transfers between countries. Within the same legal framework, Indonesia can exercise its rights to detect, trace and take action against money laundering crimes of Indonesians abroad with the assistance of the FATF and other relevant institutions. Within the framework of such an operation, informants from the Criminal Investigation Unit of the National Police believe that the preparation of the ML regulations is not merely coercion or international pressure through the FATF. The PPTPPU Law is created because there are dynamic developments and changes in international financial governance. According to him, it is these global changes that have put pressure on Indonesia to require two revisions to regulations related to money laundering.

From a legal point of view, there is no longer any need for a fundamental concern that the implementation of the 40 Recommendations on non-members conflicts with a country's sovereign right to develop and implement its policies. It is because there is an opinion that sees the implementation of the 40 FATF Recommendations as being considered one of the state interventions in the domestic affairs of other countries (Amrani, 2014). The informants believe that the idea of rule of law proposed by Friedrichs (2007) is very relevant in the context of the construction of an anti-money laundering criminal policy made by the Indonesian government in October 2010. The PPTPPU Law also does not conflict with the philosophical and legal perspectives that live in society, which plays an essential role in the social control of the local community.

The Urgency of Indonesian Membership in FATF

Having been out of the FATF blacklist for eighteen years, Indonesia has unfortunately not been accepted as a member of the FATF. According to an informant from the Criminal Investigation Unit of the National Police, it is due to the label causing Indonesia to be acknowledged not to comply with the rules regarding the issue of terrorism. Indonesia is considered not to have adequate rules regarding regulations and terrorism data, which is one of the points of the FATF recommendation. Until becoming the Chair of the 2022 G20 Presidency, Indonesia is the only country that is not a member of the FATF. According to experts, FATF membership is important because it can make Indonesia have a big role in the world economy. Indonesia can also participate in the strategic policy-making process that determines global finance. In addition, Indonesia can play a role in fighting tax evasion and promoting world tax transparency. Indonesia's credibility in the money laundering and money laundering sector is also recognized by the world, thus foreign investors' trust in Indonesia is even greater to encourage economic growth (Liputan6.com, July 26, 2022).

PPATK has so far been trying to make Indonesia a member of the FATF. Since 2017, PPATK has submitted a letter of commitment from the Indonesian government to join FATF. It is said that this institution was following up and simultaneously carrying out an on-site visit to Indonesia scheduled in March 2020. However, due to the Covid-19 outbreak, the evaluation process had to be delayed and only carried out on 17 July-4 August 2022. According to informants from PPATK, the global influence on efforts to prevent and eradicate money laundering in Indonesia has been very good and strict.

However, adjustments are needed to legal concepts in Indonesia, for example, the beneficial ownership (BO) regime in legal arrangements or other legal engagements do not exist legally in Indonesia, but the formation of foreign legal engagements operating or placing assets in Indonesia is still possible. Basically, the provisions regarding BO are regulated in the 2010 Money Laundering Law, but these provisions are limited and have not captured information on the beneficial owners of a corporation in Indonesia.

As a measure to anticipate and prevent this practice, President Jokowi issued Presidential Regulation Number 13 of 2018 concerning the Application of the Principle of Recognizing the Beneficial Owner of a Corporation. The regulation is expected to encourage transparency of beneficial owner information from corporations. Based on the results of the National Risk Assessment of money laundering offenses conducted by PPATK, it was identified that the threat level of money laundering offenses committed by corporations was higher at 7.1 compared to that carried out by individuals at 6.74. Meanwhile, based on the results of the 2014 FATF research on the regulation and application of transparency of BO information, the finding shows that BO information that was adequate, accurate, or guaranteed to be true was insufficient, and as it could be accessed quickly, it was eventually exploited by criminals. It shows that Indonesia is compelling to strengthen regulations and implement transparency of information on beneficial owners or beneficial owners of corporations (PPATK, 28 March 2018). Referring to the provisions and global best practice approaches set by the FATF, PPATK informants state that not only corporations but also politicians and government officials are among the profiles that are vulnerable to money laundering and are in the category of Politically Exposed Persons (PEP) or politically popular people. The driving factors for money laundering in the profession are strong resistance and intervention in handling money laundering cases, adequate access, and an understanding of financial instruments.

Sutherland (1940) refers to a crime involving an honorable person as a white-collar crime (WCC). Violations of this law are committed by people with high socioeconomic status and related to their legal work. According to an informant from FISIP, University of Indonesia, Muhammad Mustofa, until now the study and development of the WCC concept have become increasingly complex. Sutherland in his theory uses lawlessness as a measure. This concept is an explanation that there are unlawful acts committed by respectable people through their legitimate positions that are detrimental, and therefore must be included in the study of the theory of criminal behavior. In general, all WCC typologies are not easily identifiable because they are carried out diffusely with the conduct of their legitimate work. The perpetrators have generally isolated from the view that their crime is legal because they assume that it is a norm in their work culture learned from previous generations. In other words, WCC can be a culture (way of life) passed down from one generation to the next. The 2010 ML Law has regulated this white-collar crime (cf. Rahayu, et al, 2021).

Recognizing the importance of efforts to combat money laundering, President Jokowi has encouraged PPATK and other stakeholders to continue making more effective instruments. The challenge of eradicating money laundering offenses in the future will be even more difficult in the midst of the rapid advancement of digital financial technology. Therefore, he encouraged all parties, from government agencies and the financial industry to the public to collaboratively maintain the integrity and stability of the economic and financial systems by eradicating these two crimes. Jokowi also asked all K/L including PPATK, a vocal point and financial intelligence agency (FIU), to be observant and move quickly in dealing with new modes of money laundering and terrorism financing that have now crossed national borders and become international crimes (Kominfo. go id, 18 April 2022). So far, there are several ways to prevent money laundering offenses carried out by PPATK, for instance, 1) improving the quality of detection and reporting the suspicious financial transactions indicating predicate crimes; 2) expansion of new reporting parties, both in terms of registration and outreach to the financial services industry sector and

professional services; 3) providing data access to validate corporate and individual identities; 4) provision of watchlist database for all predicate crimes, and 5) institutional strengthening that focuses on handling the APPU-PPT program and reporting obligations.

Construction of Indonesia's Anti-Money Laundering Policy

In line with the recommendations of the FATF, Indonesia has compiled and formulated a legal construction in the money laundering crime policy. The construction of anti-money laundering policies in Indonesia is at least reflected in the 2010 PTPPU Law, as follows :

1. Active money laundering (Article 3)
   Any person who places, transfers, assigns, spends, pays, grants, entrusts, carries abroad, changes form, exchanging with currency or securities or other actions on assets which he knows or reasonably suspects is the result of a criminal act as referred to in Article 2 paragraph (1) with the aim of hiding or disguising the origin of the assets.
2. Active money laundering (Article 4)
   Any person who conceals or disguises the origin, source, location, allotment, transfer of rights, or actual ownership of assets that he knows or reasonably suspects is the result of a criminal act.
3. Passive money laundering (Article 5)
   Any person who receives or controls the placement, transfer, payment, grant, donation, deposit, exchange, or use of assets that he knows or reasonably suspects is the result of a criminal act.

Based on this regulation, it is emphasized that the prevention and eradication of money laundering offenses require a strong legal basis to ensure legal certainty, the effectiveness of law enforcement, as well as tracing the return of assets resulting from criminal acts. The government realizes that money laundering offenses not only threaten economic stability and the integrity of the financial system but can also endanger the foundations of social, national, and state life based on Pancasila and the 1945 Constitution of the Republic of Indonesia. As part of the global economic system, the PPTPPU Law also gives priority to efforts to safeguard domestic rule of law. Article 10 states that "everyone who is inside or outside the territory of the Unitary State of the Republic of Indonesia who participates in conducting trials, assistance, or conspiracy to commit a crime of money laundering shall be punished with the same punishment" as the three types of perpetrators of the crime of domestic money laundering.

PPATK also receives great authority to prevent and eradicate, for example, by tracing the money flow of the perpetrators of money laundering crimes, including blocking accounts related to elements of money laundering offenses. However, PPATK is not a money laundering offense investigator. Based on the PPTPPU Law, ML investigators are only limited to the Prosecutor's Office, the KPK, the National Narcotics Agency, the Directorate General of Taxes, Customs and Excise, and the Police. The Constitutional Court has also proposed that the money laundering offenses investigators should be extended to become attached to the investigator who found the predicate crime (MKRI, 27 January 2022). In line with that, an informant from the Ministry of Law and Human Rights suggested that PPATK should also be given the authority to investigate. This role is expanded from just conducting analysis and providing recommendations to law enforcement that are not necessarily followed up. It is intended to make law enforcement officers need to apply the character of integrity, transparency, and accountability in adjudicating money laundering offenses in Indonesia.

Informants from PPATK consider that the PPTPPU Law claimed to have complied with "international standards" actually has no weaknesses in the enforcement of money laundering cases. It is just that there is a need for understanding and perception as well as being the same in the application of PPU-PPT along with other legal instruments and increasing the capacity of reporting parties, supervisors, and regulators as well as law

enforcement agencies. The PPTPPU Law has also been running well and in line with the times. The strengthening of the PPTPPU Law needs to be carried out continuously because digital financial transactions that increase from year to year are the cause of the increase in money laundering crimes cases. Interested parties, from the government and PPATK to the public and civil organizations, need to be continuously educated about money laundering. According to informants from PPATK, actors in the prevention and eradication of money laundering offenses involve at least three main actors. First, the reporting party plays a role in detecting and reporting suspicious financial transactions, supporting asset tracking, and confiscation assets resulting from criminal acts. Second, the regulator or supervisory and regulatory agency, they play a role in regulating and supervising the APU program and reporting obligations. Third, PPATK and law enforcement agencies, have a role in analyzing and handling money laundering cases. Maximum coordination between relevant stakeholders enables them to minimize and suppress the increasingly complex quantity and quality of money laundering offenses.

So far, money laundering cases continue to increase, one of which is caused by criminal penalties that are still under five years on average, and asset confiscation has not been optimal. It makes law enforcement related to money laundering cases in Indonesia so far not reflect justice, especially in efforts to recover losses resulting from predicate crimes and money laundering crimes. In the case of losses to individual actors or groups, the form of compensation for losses is not carried out proportionally. For this reason, an informant from the Ministry of Law and Human Rights suggested that the law related to the confiscation of assets should have a broad understanding because the assets confiscated by corruptors are not only money from corruption. There are also other assets that will be checked if related. However, regarding the separation of assets, he suggested that the confiscated assets should match the amount of money corrupted. Meanwhile, for the excess of confiscated assets, it is the defendant's obligation to prove that the money is not the result of corruption. This refers to the Corruption Act Number 20 of 2001 stating that when the defendant cannot prove that the property is not from a criminal act of corruption, the property is considered to have also been obtained from a criminal act of corruption and the judge has the authority to decide that all or part of the property is confiscated for the state.

In the WCC case, the challenge to prove a crime in the trial process is even greater because the perpetrators always try to keep away the evidence that could ensnare them. In the case of money laundering offenses originating from the predicate crime of corruption, law enforcers find it difficult to prove all or the existence of a predicate crime on assets that produce assets. In addition, the application of reverse evidence by the defendant is very likely to harm the prosecution process, considering that the perpetrator is very likely to show the source of his unnatural wealth acquisition comes from a business, even though it is the result of engineering with the help of gatekeepers or on behalf of other people, for example, his wife or children and other closest relatives (Haris, 2017). Although in these corruption cases the defendants are proven to have committed money laundering offenses, informants from the Supreme Court think that it is the predicate offense that still creates a bias in law enforcement in money laundering offenses cases. It refers to Article 69 of the Anti-Money Laundering Law which states that "In order to be able to carry out investigations, prosecutions, and examinations in court proceedings against the crime of money laundering, it is not mandatory to first prove the original crime." They argue that this regulation contradicts the handling of money laundering offenses cases that require proof of predicate offenses. The use of the term "not mandatory" creates confusion in the proof, especially in money laundering offenses involving corporations.

Related to this, Soehandoyo, the Commissioner of PT Panca Lomba Makmur and the suspect in the alleged crime of money laundering, in 2015 once submitted a judicial review of Article 69 of the Money Laundering Law. However, on 14 July 2016, the

Constitutional Court (MK) rejected it by asserting that the money laundering offenses investigation could be carried out without the need to prove the predicate crime. After the money laundering offense is proven, the original crime must be proven later. The Constitutional Court is of the opinion that if money laundering requires proof of the predicate crime, the suspect can first eliminate the evidence. In addition, the process is also longer. The PPATK also refuses to abolish the rule regarding the non-obligation of proving predicate offenses in ML investigations. According to PPATK, if this provision is removed, it will result in the crime of money laundering being unable to be processed in court. It will also have an impact on the loss of the independence of money laundering offenses as a stand-alone crime. This will result in the process of law enforcement against the crime of money laundering being very dependent on the proof of the crime of origin. If the original criminal act is not proven, then the ML cannot be processed by a legal court.

However, according to an informant from the Criminal Investigation Unit of the National Police, there are still difficulties in implementing Article 69 of the 2010 Money Laundering Law. The reality so far is that defendants often carry out embezzlement transactions using other people's accounts which the investigators do not have the authority to examine. In this case, investigators, public prosecutors, and judges must first carry out a permit procedure to request information on the transaction data of the person in question suspected of being used by the defendant. The procedure has also not been clearly spelled out in the money laundering offenses regulations in Indonesia. As suggested by an informant from the Ministry of Law and Human Rights, there should be a separate regulation regarding asset separation in the case of money laundering offenses.

Informants from Bareskrim also suggested that the Money Laundering Law should be revised again. Apart from the bias in the application of Article 69, many efforts to prosecute money laundering offenses have not been clearly regulated. For example, in the last Supreme Court decision, there was an increase in the number of investigators inquiring about money laundering offenses. In addition, there are still many predicate crimes that have not been covered. So far, the majority of ML cases have come from cases of corruption, fraud, banking, embezzlement, and narcotics. After all, there is a discrepancy in the investigation. The KPK and PPATK should do the filing in one file so as to facilitate the process of investigating money laundering offenses. In the new PPTPPU Law, it is expected that it can accommodate the expectations, wishes, and needs of the community regarding money laundering. In this case, the revision of the PPTPPU Law must look at the perspective of the community, which is still unclear. The references in the PPTPPU Law only have the perspective of actors, and the discussion only focuses on the perspective of stability and integrity of the economic and financial system, seizure of assets, recovery of assets, and others.

The proposal for the revision of the Money Laundering Law was submitted by an informant from the Supreme Court. He considered that the Anti-Money Laundering Law was not maximized and needed to be reviewed involving all stakeholder representatives, as well as conducting in-depth research and measuring the effectiveness of the Law from all elements of society through polls. Therefore, the making of the law is not arbitrary. The informants also saw that the tax amnesty program carried out by the government was not optimal due to the weak political bargaining in Indonesia. The summary of this study's results is in the following table:

Table 1. Summary of Research Findings

Theoretical Description	Findings
The conception of the Criminalization of Global Money Laundering	1. There are limited law enforcement institutions in local and national contexts responding to the changing dimensions of crime facilitated by advances in information technology and finance.

	2. The establishment of the FATF on Money Laundering as an international legal authority accommodates and mobilizes the initiation of the prevention and eradication of money laundering offenses. 3. Money laundering is cross-border because it is organized by global criminal groups operating in many countries.
Global Pressure on Anti-Money Laundering Policy Formulation in Indonesia	1. The formulation of the PPTPPU Law that follows international standards is urgently needed by Indonesia because it has ratified the provisions of ML at the United Nations and participated in conventions on money laundering. 2. The PPTPPU Law has been running well and in line with the times. 3. The urgency of Indonesia's membership in FATF is to have the same vision in combating money laundering. 4. Indonesia benefits from FATF membership in taking action against money laundering offenses that occur overseas/across jurisdictions.
Criminalization of Money Laundering in Indonesia	1. ML can have an impact on state losses in terms of political, social, and economic aspects. 2. Politicians and government officials, including regional heads, are vulnerable to money laundering and are categorized as Politically Exposed Persons (PEP). 3. There is no beneficial ownership (BO) regime in legal arrangements or other legal engagements in Indonesia.
Anti-Money Laundering Criminal Policy in Indonesia	1. The strengthening of the PPTPPU Law needs to continue because digital financial transactions are increasing from year to year. 2. The prevention and eradication of money laundering offenses involve at least three main actors, namely the reporting parties, regulators, and law enforcement. 3. It is necessary to reformulate the criminal penalties for ML, which so far on average is still under five years. 4. The seizure of assets resulting from corruption is not optimal because it is not following the amount of money that was corrupted. 5. It is necessary to expand the role of PPATK as an investigator from the six categories of investigators that exist in the current PPTPPU Law. 6. Efforts to prosecute money laundering offenses are still biased and have not been clearly regulated, especially related to predicate crimes. 7. The PPTPPU Law needs to be revised again by involving all stakeholder representatives, as well as conducting in-depth research, and measuring the effectiveness of the Law from all elements of society.

Source: Processed by the researchers (2022)

CONCLUSION

Based on the research findings and discussion above, the researcher can conclude several main points as follows:

First, there is a need for a conception of international law regarding the existence of global legal standards related to the criminalization of money laundering (ML). It is because ML has undermined the political system, government, economy and finance, law, and global society. The establishment of the FATF under the auspices of the OECD is one of the world legal standards that play a role in fighting and eradicating money laundering.

Second, the umbrella of international law needs adapting to the national legal context in which it is applied. The two legal territorial authorities have a simultaneous relationship by not ignoring the rights and interests of other parties.

Third, as a white-collar crime that crosses borders and crosses countries, ML should be criminalized through strict regulations and adopting the values of equality, non-discrimination, and justice of each member country.

Fourth, there is no global pressure or coercion in making anti-money laundering criminal policies through the issuance of the PPTPPU Law because Indonesia needs a strict legal umbrella to prevent and eradicate money laundering. National laws need to adopt and adapt international consensus on anti-money laundering so that treatment can span across jurisdictions.

Fifth, Indonesia must comply with the recommendations of international legal authorities regarding money laundering and terrorism financing because until now Indonesia has not been accepted as a member of the FATF, which is a leading organization in combating money laundering crimes in the international world.

Sixth, the PPTPPU Law needs reviewing because it has not fully covered legal issues related to money laundering and terrorism money laundering. The revision process must involve many parties through in-depth research and evaluation.

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