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JURIDICAL ANALYSIS OF THE ROLE OF BANKING IN PREVENTING MONEY LAUNDERING CRIMES

Markon[1], Inge Yasmine [2], Aris Machmud [3*]
[1, 2] Universitas Esa Unggul Jakarta,
[3] Universitas Al Azhar Indonesia
* Correspondence email: aries_machmud@uai.ac.id

Abstract

The bank as a trusted institution that carries out intermediary mandates - collecting and channeling funds - is authorized by law, as an institution that acts with great care so as to prevent suspicious transactions from occurring that have the potential to be used as tools for illegal transactions - Actions money laundering crime. The formulation of the problem in this research, how is the role of banking in preventing money laundering in Indonesia? the author uses a form of normative legal research with a statutory approach. The conclusion of this research is that banks play a role in preventing money laundering practices through the application of know your customer and anti-money laundering principles in accordance with applicable regulations.

Keywords: The principle of knowing your customer, banking and money laundering.

INTRODUCTION

Sutan Remy Sjahdeini believes that if the burden of corporate criminal liability The development of sophisticated information technology plays a role in economic growth both positively and negatively. One of the negative effects is crime in the financial system through the efforts of methods that utilize these technological developments. Ayub Torry Satriyo Kusumo calls it white-collar crime, where the criminal act is in the form of obscuring the origin of assets committed by corporate elements and people who have the capacity to commit such crimes (Mira, 2014).

Sutan Remy Sjahdeini argues that if the burden of corporate criminal liability is met, all corporate criminal liability becomes the responsibility of the board of directors as stipulated in the evidentiary system for handling corporate criminal offenses, which is regulated in PERMA Number 13 of 2016 concerning Procedures for Handling Criminal Offenses by Corporations. This regulation was made as a rechtvacuum related to the legal subject of the corporation as a legal subject, because the actions of the corporation are equally detrimental to the state and society but cannot be prosecuted in court - there is no legal procedure for investigation, prosecution to court hearings, especially in formulating charges for business entities (Inayah, 2020). The crime of money laundering is committed both by individuals and by corporations as the personification of persons and both are legal subjects - who can act and be held accountable to the law - and can cause harm to society at large. Apart from the role of corporations as a contributor to economic growth for a country in the form of foreign exchange, but on the one hand it can have a negative effect on the economy if they commit economic crimes - both in the form of destruction of natural resources, fraudulent competition, tax manipulation, labor exploitation, producing products that are detrimental to the user, and fraud against consumers, as well as the practice of obscuring the origin of corporate assets - money laundering (Inayah, 2020).

Suranta said that apart from being an intermediary institution, banking also acts as a means of implementing various monetary policies. Amalia and Mulyana argue that banking crime is one of the sectors influenced by the development of information technology which is developing very rapidly today, so that a technological legal mechanism is needed that can avoid the potential for banking crime. Ping said that as a transnational crime - a crime across jurisdictions - it is an area of concern for all countries - because it is considered a very serious crime and has a very broad impact. The crime of obscuring the origin of money entering the financial system has the potential to weaken the integrity of financial institutions and undermine public confidence in the financial system (Umara, 2020).

As a transnational crime and make money laundering a very serious crime - Even according to IMF data per year up to two to five percent of world GDP (Runtukahu, 2017) - As well as the pressure of international institutions - as a Non-

Cooperative Countries and Territories (NCCTs) country by the Financial Action Task Force (FATF) on money laundering - Indonesia also has an interest in protecting its financial system from these crimes, so a regulation to prevent money laundering was issued on April 17, 2002 through Law Number 15 of 2002 concerning the Crime of Money Laundering which was updated with Law Number 8 of 2010 concerning Prevention and Eradication of the Crime of Money Laundering (TPPU Law) (Siahaan, 2002) So this regulation is a form of compliance of developing countries with developed countries because FATF is an institution of developed countries - power among nations - where weak countries must comply with the provisions of developed countries, where countries that do not comply with the provisions of FATF will be subject to sanctions for termination of transaction relations, but unfortunately there is no mechanism for confirmation and self-defense (Husein, 2004). Based on the background above, the writer hereby proposes the formulation of the problem is what is the role of banking in preventing money laundering crimes?

RESEARCH METHODS

The research method used is juridical-normative with an approach to legal regulations. This method is used to address the issues being studied through an examination of legal sources in answering the researched issues. Achmad Ali stated that juridical-normative is a legal study that focuses on seeking legal truth through a set of legal principles, legal norms, and legal rules, both written and unwritten (Bachtiar, 2019), The law used includes primary legal materials, secondary legal materials, and tertiary legal materials which are then analyzed using a qualitative approach (Bachtiar, 2019).

RESULTS, DISCUSSION AND ANALYSIS

A. Customer Identification in Banking.

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The banking sector plays an important and strategic role not only in driving the national economy, as banking serves as the heart of the economy that can support and facilitate the implementation of national development in order to improve equality, economic growth, and national stability towards enhancing the welfare of the people (Murwadji, 2016).

Banking as an institution of trust must know its customers well as a form of risk mitigation related to Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD). Reporting on transactions that do not match the customer's profile is an obligation of banks as part of the system for preventing money laundering. Through the identification and verification process related to transactions above five hundred also to fill in the fund overflow sheet, in the application of this principle if suspicious transactions are suspected, they must be reported to the official responsible for the implementation of the Know Your Customer Principle, namely the Working Unit for the Implementation of the Know Your Customer Principle (UKPN) which will report and be directly responsible to the Compliance Director (Pujianti, 2011).

Hikmahanto Juwana said that as one of the subsystems of the banking financial services industry, it is the foundation of society so that it needs to prioritize the principle of prudence and maintain a healthy existence, for this reason banks are required to fulfill the obligations mandated by the banking law, TPPU and also in accordance with the recommendations of FATF Number 10, namely the Know Your Customer (KYC) principle (Wati, 2019). Risk mitigation is needed by banking financial institutions so that they are not used as a tool for laundering criminal proceeds, so KYC is a crucial step in preventing criminal acts and saving banks from risks related to counterparties.

The development of science and technology information (iptekinfo) has a dual-edged effect - supporting convenience in transactions on one hand, and facilitating

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banking crimes on the other, especially as a means or facility for the proliferation of money laundering crimes (Johannes, 2019).

Criminal banking crimes related to money laundering are becoming more complex with the development of information technology alongside the increasing vulnerability of digital-based banking products to money laundering crimes (Pujianti, 2011).

N.H.T Siahaan stated that the banking sector is the main target for laundering criminal proceeds through various banking services products using couriers who open bank accounts with nominee accounts and conduct transactions as if they were legal activities - such as smurfing or wire transfers - enforcement efforts can be anticipated through the recognition and knowledge of identities, identifying, and monitoring all transactions, maintaining profiles and reporting suspicious customer financial transactions (Suspicious Transaction) (Mira, 2014)

Prevention of illegal transactions has been quite effective so far through investigations of transactions conducted by the Financial Transaction Reports and Analysis Center (PPATK). Josep stated that the role of this institution is crucial in detecting fraudulent transactions reported by financial institutions ;2012). PPATK plays a role in assisting law enforcement processes by detecting suspected money laundering crimes through information that has been analyzed and obtained from reports of Financial Service Providers and other parties known as reporters in the Anti-Money Laundering Law (Josep, 2019). Banks are required to report suspicious criminal activities as a preventive measure as mandated by the Anti-Money Laundering Law.

According to Articles 18-19, banks are obliged to identify, verify and monitor customer transactions and their identities completely and accurately by filling out the fund traffic form provided by the bank and knowing the beneficiary or legal owner of a transaction - before the enactment of the Anti-Money Laundering Law, banks cared about the status of the owner of the funds in their accounts - banks only ensured that the withdrawal of funds in accordance with the owner of the endorsement or signatory of the check, giro bilyet, or other withdrawal slip, was the one entitled to withdraw money from the account. And in the case of deposits, the bank will not question who deposited the money into the account. The obligations listed in the Anti-Money Laundering Law do not have legal sanctions if violated or not carried out, but can be subject to sanctions Article 49 paragraph (2) letter b of Law Number 7 of 1992 concerning Banking as amended and supplemented by Law Number 10 of 1998 which states that banks will be sanctioned for violating provisions related to bank compliance with the provisions of this law and the provisions of other laws and regulations applicable to banks (Pujianti, 2011) see (Sitompul, 2005).

Article 18 Paragraph (3) of the Anti-Money Laundering Law states that the obligation of financial institutions is to report to the authorized official, in this case PPTAK, if something suspicious is found in transactions with customers. And in Article 23, it is stated that suspicious transactions are transactions that have no clear purpose and large and repeated transactions - whose value is at least or equal to one hundred million rupiah - outside of reasonableness and habit (Law of the Republic of Indonesia Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes (State Gazette of 2010 Number 122, Supplement to State Gazette of the Republic of Indonesia 5164) Number, 2010).

The principle of knowing the customer is the principle applied by banks to find out the identity of customers, monitor customer transaction activities including suspicious transaction reporting and it is the bank's obligation to implement it. In the banking environment, the prevention of money laundering is supported by OJK (Financial Services Authority) as an independent institution and free from interference from other parties, which has the functions, duties, and authority to regulate, supervise, examine, and investigate as referred to in article 1 paragraph (1) of Law No. 21 of 2011 concerning OJK by issuing several regulations aimed at supporting the prevention of money laundering in Indonesia (Fadilah, 2017).

B. The Development of Customer Recognition Regulation in Banking

Customer identification as part of risk mitigation - banking reputation risks - for financial institutions in carrying out their operations, where based on the Basel Committee for Banking Supervision that the potential increase in crime can be suppressed by implementing customer identification to maintain the banking reputation from the exploitation of money laundering crimes (Pujianti, 2011).

Along with the increasing level of transnational crime that utilizes the financial system network, it is a necessity that banks must protect their existence and reputation so as not to be used as a means of obscuring the results of crime, for this reason banking institutions through Bank Indonesia issued a regulation so that banking institutions apply the principle of customer recognition as an anticipatory and preventive measure from criminal acts committed by perpetrators who intend to disrupt the financial system through the intervention of channeling funds from crime. The purpose of customer recognition is to maintain the reputation and integrity of banking - Know Your Customer Principle - as a fortress in prudential banking (Erdiansyah, 2012). Banking supervision is carried out by Bank Indonesia as the holder of authority in micro and macro prudential supervision, then starting December 31, 2013 micro prudential duties relating to the supervision of banks and non-bank financial institutions were taken over by the Financial Services Authority. The rules related to customer introduction have changed several times, as for the changes are as follows (Ahmad Fadhillah, Zainal Asikin, 2019):

a. Bank Indonesia Regulation No. 3/10/PBI/2001 and amended by Bank Indonesia Regulation No. 3/23/ PBI/2001 concerning Amendments to Bank

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Indonesia Regulation No. 3/10/PBI/2001 concerning the Implementation of the Know Your Customer Principle

b. This Minister of Finance Decree (KMK) was issued on January 30, 2003 with Number 45/KMK.06/2003. Another term often issued for this KMK is Know Your Customer Principle (KYK). The main obligations of bank institutions in which there are four things, namely 1) Establish a customer acceptance policy; 2) Establish policies and procedures in identifying customers; 3) Establish policies and procedures for monitoring customer accounts and transactions; 4) Establish risk management policies and procedures (Erdiansyah, 2012).

c. Bank Indonesia Regulation No. 11/28/PBI/2009 on the Implementation of Anti-Money Laundering and Countering the Financing of Terrorism Program for Commercial Banks. Updated with Bank Indonesia Regulation PBI No. 14/27/PBI/2012 on the Implementation of Anti-Money Laundering Programs and Prevention of Financing for Terrorism for Commercial Banks.

d. Regulation of the Financial Services Authority (POJK) on Know Your Customer Principles by Financial Services Providers in the Capital Market Sector No. 22/POJK.4/2014, this regulation clearly only applies to the capital market sector, because between capital market institutions and banking institutions have different tasks and functions and products.

e. In the next development, the Financial Services Authority Regulation POJK No.23/POJK.01/2019 concerning Amendments to Financial Services Authority Regulation No. 12/pojk.01/2017 concerning the Implementation of Anti-Money Laundering Programs and Prevention of Terrorism Financing in the Financial Services Sector was born as a standard regulation and guideline for anti-money laundering and terrorism financing in the financial services sector.

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C. Replacement of the know your customer principle with the CDD (Customer Due Dilligent) principle

Prior to the enactment of the Customer Due Diligence terminology, the Know Your Customer terminology applied, which became the guideline used by banks in preventing Money Laundering Crimes as stipulated in Bank Indonesia Regulation Number 3/10/PBI/2001 concerning the application of the Know Your Customer Principles, as a form of integrity and also the application of prudent banking principles in mitigating business risks - operational risk, legal risk, concentration risk, and reputational risk. Know your customer principle is one of the efforts to prevent the banking system from being used as a means of money laundering crimes, either directly or indirectly by criminals (Erdiansyah, 2012).

The term Customer Due Diligence (CDD) which replaced the term Know Your Customer (KYC) was only introduced in Bank Indonesia Regulation Number: 12/20/PBI/2010 Year 2010 and Bank Indonesia Regulation Number: 14/27/PBI/2012 Year 2012. The Bank Indonesia Regulation was later replaced by the Financial Services Authority Regulation Number 12/POJK.01/2017 of 2017 concerning the Implementation of Anti-Money Laundering and Countering the Financing of Terrorism Programs in the Financial Services Sector (Johannes, 2019) see (Delpiero et al., 2022).

In relation to efforts to prevent money laundering crimes through banking channels, banks must implement the principles of CDD (Customer Due Diligence) and caution. A bank, in recognizing service users (customers), is required to at least conduct identification of service users, verification of service users, and monitoring of service user transactions.

D. Application of Customer Due Dilligent (CDD) Principles in Banking Transactions

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Roi Andang Sanjaya said that the Application of the Principles of Customer Due Dilligence and Enhanced Due Dilligence must follow banking regulations both based on internal rules - system operating procedures (self-regulatory banking - to carry out the prudential principle (Cahya, Kasih, & Sutama; Ida Bagus Putu, 2017). Banks are required to identify, assess, and understand the risk of money laundering and/or terrorism financing related to customers, countries or geographic areas, products, services, transactions or distribution networks.

To support the prevention of money laundering crimes, a bank must have an information system that can identify, analyze, monitor, and provide effective reports on the transaction characteristics carried out by customers. In the implementation of Customer Due Diligence (CDD) principles, there are several procedural levels carried out by the bank towards transactions conducted by customers, including (Cahya et al., 2017).

1. Implementation of regular CDD (Customer Due Dillegence)

The bank's obligation in carrying out Customer Due Diligence procedures at the time is through establishing relationships with prospective customers, both business entities and individual prospective customers, in addition to identifying large enough transactions - equivalent to one hundred million - to ask customers to provide information and identity of the purpose and source of funds, and after that monitoring the transaction - to find out whether there is potential for the funds to be indicated as suspicious financial transactions related to money laundering and / or terrorism financing; and or ensuring the correctness of information from customers related to - identity, power of attorney recipient and information related to the beneficial owner.

2. Simple CDD (Customer Due Dillegence) implementation

A bank may apply simple Customer Due Diligence (CDD) procedures to prospective customers or transactions that have a low risk of money laundering and/or terrorism financing, then the bank must monitor and identify the purpose of opening an account and the identity of the prospective customer as well as conform to the laws and regulations and maintain customer profiles and characteristics. Implementation of CDD on high risk customers.

3. Implementation of CDD (Customer Due Dillegence) for high-risk customers

In the case of high-risk customers, the bank is required to conduct a thorough examination. A bank must also be able to determine whether prospective customers, customers, beneficial owners, or Walk-in Customers (WIC) fall under the criteria of high-risk customers. Money laundering through the banking system can be prevented through preventive banking actions by implementing policies and procedures for identification, verification, monitoring, and reporting on customer accounts and transactions, walk-in customers, as well as customer identification in this case (owner beneficiary) are managed to achieve comfort for both customers and the bank itself, and to comply with the provisions of the UUTPPU regulations (Cahya et al., 2017).

E. Money Laundering Crime

Yunus Husein argues that the definition of money laundering is not explicitly stated in the TPPU regulations, but only explains the related categories of criminal acts. In the PPTPPU Law. Based on its history in 1930 in the United States, the crime of disguising wealth was invested in a laundry business, and eventually this crime was named money laundering. (Husein, 2004)

Money laundering can be done through placement, where the proceeds of crime are placed into the financial system, followed by layering, which is an effort to transfer wealth originating from criminal activities (dirty money) that have been successfully placed into the financial system, then transferred again to other financial institutions, making the origin increasingly obscure and difficult for authorities to trace. Another method is by smurfing - breaking up transfers into small but numerous amounts - in addition, money laundering is often done in capital market institutions, especially in highly liquid stocks and carried out quickly. Another method operandi is through the use of wire transfers between jurisdictions to be placed in a shell company - special purpose company. This criminal act is commonly carried out by mixing the proceeds of crime with legitimate income from a corporation that disguises the real owner (beneficial owner (BO). Customer due diligence is one method of preventing money laundering because knowing the Beneficial Owner (BO) will facilitate the tracking of the assets (Sinaga, 2019).

The reporting party in money laundering crimes has an obligation to report suspicious financial transactions to the Financial Transaction Reports and Analysis Center (PPATK). This report is one of the initial steps in detecting money laundering crimes. The reporting obligation is important considering that early monitoring is seen as the most effective effort in combating money laundering. This is a preventive measure to prevent money laundering crimes from occurring (Fadilah, 2017).

The reporting party in the PPTPPU Law, the explanation of who is included in the reporting party has also been formulated in Article 17 paragraph (1) of the PPTPPU Law which states that financial institutions including banks are considered as the reporting party in money laundering crimes through the mechanism of filling out fund transfer forms when customers conduct banking transactions. As a follow-up to the FATF in addition to the existence of specific criminal laws related to money laundering, Bank Indonesia as the authority in prudential macro supervision, especially financial system security through PBI No. 14/27/PBI/2012, requires financial institutions in the banking category to know their customers through the "know your customer" mechanism - customer due diligence (CDD) - through identification, verification, and monitoring conducted by the Bank to ensure that the transactions are in compliance accordance with the profile of the prospective customer (walk in customer).

Money laundering is categorized as a serious crime because it can lead to the destruction of the integrity of the financial system by disrupting its liquidity. In addition, perpetrators aim for short-term profits in every investment, causing economic instability and the country not benefiting from the investment, including the loss of potential tax revenue for the country (Josep, 2019) .

With the transfer of supervision of the banking sector and non-bank financial institutions to the Financial Services Authority (OJK), the prudential micro-sector supervision is transferred from BI to OJK, then customer identification is regulated through POJK Number 12/POJK.01/2017 which is updated with POJK Number 23/POJK.01/2019 Regarding Amendments to Financial Services Authority Regulation Number 12/POJK.01/2017 Regarding the Implementation of Anti Money Laundering and Prevention of Terrorism Financing in the Financial Services Sector.

The implementation of the principle of beneficial owner (BO) transparency in the capital market, besides being an effort to protect stakeholders, is also aimed at reducing the potential for money laundering crimes (Sinaga, 2019). Asset recovery for economic crimes, especially money laundering, has not been maximized because it is not supported by regulations related to confiscating assets of perpetrators suspected of being the proceeds of money laundering crimes (Dwi Bowo Raharjo, 2021).

Law enforcement officials are faced with a situation where white-collar crime modus operandi is becoming more sophisticated, especially those that utilize the financial system of banking institutions to carry out their actions. Based on past

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experiences, many criminal acts remain unresolved because perpetrators exploit legal loopholes in asset seizure, leading to endless money laundering crimes. There is no mechanism for asset seizure to recover state losses (Rahayuningsih, 2013).

The complexity of money laundering is due to the lack of support from related regulations and the development of digital information systems (Latifah, 2016). Money laundering is the most profound criminal act, where through the Follow the money method, it traces the assets from the proceeds of the crime to their origin and the criminal acts committed - downstream to upstream approach - by pursuing the results of this criminal act, we strike at the heart of the crime - lifeblood of the crime - and eliminate people's motivation to commit crimes (Husein, 2014). Money laundering (follow up crime) occurs after the original crime can be proven first - where. Money laundering arises from an original criminal act - no money laundering without predicate offence - and both must be charged simultaneously, not as an alternative charge. Therefore, both must be proven, which in the theory of criminal procedural law states that both crimes must be charged simultaneously in the form of a cumulative indictment, not alternative (Garnasih, 2015).

Regulation on the Crime of Money Laundering

The law was born due to international pressure, as in 2001, Indonesia, the Philippines and several other developing countries were declared Non-Cooperative Countries and Territories (NCCTs) by the Financial Action Task Force (FATF) on money laundering. Although Indonesia is not a member of the FATF, the inclusion of the NCCTs label has major consequences for the Indonesian financial system (N.H.T. Siahaan: 2002).

The basis for Indonesia's inclusion in the NCCTs by FATF is due to considerations such as the absence of laws that declare money laundering as a criminal offense, loopholes in the regulation of financial institutions especially regarding non-

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bank financial institutions, limited resources, and lack of international cooperation in efforts to combat money laundering crimes (Yuhassarie, 2003)

The FATF itself has issued several recommendations relating to money laundering practices for Indonesia. The recommendations have three scopes, namely on improving the national legal system, increasing the role of the financial system and strengthening international cooperation. All of these FATF recommendations become international standards to measure whether FATF members have complied with the recommendations and provide suggestions for improving efforts to eradicate money laundering. However, FATF assessed that Indonesia had not supported efforts to eradicate money laundering at that time, so Indonesia was included in the list of Non Cooperative Countries and Territories (NCCTs) in June 2001 by the Organization for Economic Cooperation and Development (OECD) of FATF (Supriyadi Widodo dan Yonatan Iskandar:2015).

Therefore, the Indonesian government is trying to accelerate the process of criminalizing money laundering in accordance with the criminal law provisions in Indonesia so that Indonesia can also soon be removed from the FATF's blacklist of NCCTs. The NCCTs label is still held by Indonesia until February 2002, considering FATF's view of Indonesia's lack of efforts in combating money laundering. Two months later, on April 17, 2002, the Government and Parliament passed Law No. 15/2002 on the Crime of Money Laundering.

Since then, Indonesia first viewed money laundering practices as a criminal offense and established criminal sanctions for perpetrators. Prior to that, money laundering in Indonesia had not been declared as a criminal offense, resulting in Indonesia becoming a "paradise" and a target for money laundering activities (N.H.T. Siahaan: 2002).

Since then, Indonesia first viewed money laundering practices as a criminal offense and established criminal sanctions for perpetrators. Prior to that, money laundering in Indonesia had not been declared as a criminal offense, resulting in Indonesia becoming a "paradise" and a target for money laundering activities. In addition, to expedite the process of law enforcement of money laundering crimes, Law No. 15 of 2002 regulates the authority of investigators, prosecutors, or judges in accordance with the level of case handling to be able to request the blocking of assets to Financial Service Providers and request information from Financial Service Providers (PJK) related to the assets of each person that have been reported by PPATK.

However, the passage of this law does not necessarily remove Indonesia from the NCCTs blacklist. FATF considers that Indonesia has not proven the existence of an effective anti-money laundering law enforcement program because there have been no legal actions taken against money laundering criminals, no improvement in the work of financial institutions to combat money laundering practices, no system requiring reporting of suspicious financial transactions, and no cooperation with other countries or international institutions in combating money laundering.

At that time the Indonesian government continued to make efforts to improve the regulation of the newly enacted Money Laundering Law so that Indonesia could be fully removed from the FATF blacklist. The results were seen in 2003, one year after the first Money Laundering Law was passed. In 2003, the Indonesian government passed Law No. 25/2003 on the Amendment to Law No. 15/2002 on the Crime of Money Laundering.

Law Number 25 of 2003 is an amendment made to Law Number 15 of 2002 concerning Money Laundering Criminal Acts. Although still in its infancy, the changes made to Law Number 15 of 2002 show a positive spirit towards anti-money laundering. Various changes have been made in Law Number 25 of 2003.

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Changes related to the expansion of the predicate crime coverage to prevent the development of crimes that generate wealth where the perpetrators attempt to hide or disguise the origin of the proceeds of the crime, while such actions are not criminalized. In addition, the changes or new provisions in the law are related to international cooperation. The cooperation referred to is mutual legal assistance, which is emphasized to serve as a basis for Indonesian law enforcement to receive and provide assistance in the enforcement of anti-money laundering laws.

With the provision of mutual legal assistance in criminal matters (MLA), each country that cooperates can synergize in providing legal assistance in the stages of criminal justice proceedings and the implementation of follow the money processes of crime proceeds - tracing, blocking, freezing, seizing, and confiscating the proceeds and means of criminal acts (Humas, 2022)- is evidence that the Indonesian government is committed to the international community Together to prevent and eradicate money laundering crimes, however, the implementation of mutual assistance cooperation must still consider the national laws of each country as well as national interests. Various efforts finally yielded results. In February 2006, Indonesia was removed from the NCCT's list after undergoing formal monitoring for one year, both domestically and internationally. With close cooperation between domestic agencies and international cooperation, cross-sectoral coordination can be created FIU (Financial Intelligence Unit) can accelerate the exchange of information without the need to sacrifice confidentiality aspects.(Nurmalawaty, 2006).

After Indonesia was removed from the FATF blacklist (NCCTs), the Indonesian government felt that it still needed to make improvements to the rules in the law on money laundering, considering that the development of this crime is quite fast coupled with the development of increasingly sophisticated information technology, thus making the mode of money laundering crime is growing and becoming more complicated. This situation indirectly encourages the government to

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make changes in the rule of law so that it can be adjusted to the developments that occur, because in fact a rule of law must be able to follow the development of society and the times.

Meanwhile, the applicable laws are not sufficient to be used as a reference for law enforcement against money laundering whose crime mode is increasingly complicated and difficult, even involving cross-countries. The existing laws and regulations still provide different interpretation spaces, legal loopholes, lack of precise sanctions, untapped shifts in the burden of proof, limited access to information, narrow coverage of whistleblowers and types of reports, and lack of clarity on the duties and authorities of the implementers of these laws. To meet national interests and adjust international standards, a new law was drafted as a replacement for Law Number 25 of 2003 concerning Money Laundering, namely with Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering which is still valid today (Yunus Husein: 2018).

Legal reform in this criminal regulation is an effort to maximize enforcement in money laundering crimes. The changes in the new regulation are the redefinition and refinement of criminal acts, sanctions, customer introduction, expansion of reporting parties, and granting authority to financial institutions as well as the director general of customs and investigators as well as arrangements for the confiscation of assets resulting from money laundering (Law of the Republic of Indonesia Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering (State Gazette of the Republic of Indonesia of 2010 Number 122, Supplement to Government Gazette No. 5164), 2010)

Kesimpulan

From the results of the research that has been conducted, it can be concluded that banks can play a role in preventing money laundering crimes by knowing and maintaining customer profiles and reporting transactions that show suspicious indications. With a financial system supported by advances in information technology and knowledge, the role of banks in the economic and financial system becomes increasingly crucial to protect its financial system from being used as a tool for money laundering. Moreover, with the existence of the Mutual Legal Assistance (MLA) agreement, the enforcement of money laundering will become more effective and can also increase international trust in the reliability of Indonesia's financial system.In terms of regulations, the banking sector is also equipped with various increasingly prudent rules in carrying out its operations so that the function of banks as the heart of the economy can improve the welfare of the community through financial literacy and inclusion, as mandated by banking laws.

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