

The Role of PPATK in Uncovering Money Laundering Crimes Derived from Corruption Offenses

¹Firzatul Rima Fitriana, ²Nuryanto A. Daim

^{1,2}Universitas Wijaya Putra Surabaya

E-mail : ¹firzatulrimafitriana11@gmail.com, ²nuryantoadaim@uwp.ac.id

Abstract

The Financial Transaction Reports and Analysis Center (PPATK) plays a strategic role in uncovering money laundering crimes (TPPU) originating from corruption offenses (tipikor) in Indonesia. As a financial intelligence institution, PPATK is responsible for detecting, analyzing, and reporting suspicious financial transactions often used to obscure the proceeds of corruption. This article explores PPATK's role within the domestic context, including the receipt and analysis of suspicious transaction reports (STRs), tracing the flow of illicit funds from corruption, and coordinating with law enforcement and relevant national agencies. The main challenges faced by PPATK include low compliance in reporting by financial institutions, limited access to specific transaction data, and gaps in regulatory implementation. Through policy analysis and domestic case studies, this article emphasizes the importance of strengthening PPATK's capacity by optimizing technology, enhancing regulations, and fostering inter-agency cooperation at the national level. These efforts are expected to support the creation of a more transparent and accountable financial system in Indonesia.

Keywords: PPATK, money laundering, corruption, suspicious transaction

A. INTRODUCTION

1. Background

Corruption has become a serious threat to the development of the nation, especially in Indonesia. Corrupt practices not only harm state finances, but also hinder development progress and create increasingly sharp social inequality. According to data from Transparency International, Indonesia's Corruption Perception Index (GPI) has shown a stagnant position in recent years,¹ reflecting major obstacles in efforts to eradicate corruption. Every year, billions of rupiah that should be used to improve people's welfare are lost due to corrupt practices

¹ Transparency International. "2023 Corruption Perceptions Index." Retrieved 23 December 2024

carried out by irresponsible individuals.² This loss is not only in the form of lost money, but also missed opportunities to build infrastructure, improve health services, and improve the quality of education in various regions in Indonesia. Corruption also worsens the quality of public services that should be a basic right of the community. This further widens the gap between rich and poor people, creating social injustices that can trigger public dissatisfaction with the government.³ In the long term, corruption is a real threat to political and social stability in Indonesia. Therefore, the eradication of corruption is not only a legal agenda, but also an urgent need to create good governance and improve the welfare of the community as a whole.

One of the important aspects that is often carried out after the occurrence of corruption is the money laundering process (Money Laundering Crime or TPPU). Money laundering is an attempt to disguise the origin of illegally obtained funds to make them appear legitimate. This process is done through various means, such as using shell companies, hiding money in third-party accounts, or diverting funds into hard-to-trace assets, such as gold, property, or cryptocurrency. The measures are designed to obscure the flow of funds, making it difficult for law enforcement officials to track down the source of the funds. In many cases, the TPPU is a major obstacle to efforts to eradicate corruption because the funds that have been laundered can be reused to finance other crimes or even to strengthen the power of the perpetrators. Therefore, the eradication of anti-corruption is an important element in breaking the chain of corruption crimes.

This is where the role of the Financial Transaction Reporting and Analysis Center (PPATK) becomes very important. PPATK is an independent institution that has a mandate to prevent and eradicate money laundering in Indonesia. PPATK has a unique ability to identify suspicious financial transaction patterns. By utilizing advanced technology, PPATK can monitor the movement of funds in

² Bagir Manan, *Corruption and Law Enforcement Challenges in Indonesia* (Jakarta: Ghalia Indonesia, 2017), p. 56.

³ Harsono, "Analysis of Social Inequality Due to Corruption in Indonesia," *Journal of Social and Law* 8, no. 2 (2021): p.112.

the banking system and other financial institutions.⁴ Every Suspicious Financial Transaction Report (LTKM) received by PPATK is analyzed in depth to identify indications of criminal acts. Based on this report, PPATK can provide recommendations to law enforcement to take further action. However, even though PPATK has a strategic role, this institution still faces a number of challenges in carrying out its duties.

One of the main obstacles faced by PPATK is the low level of reporting from financial institutions. Not all financial institutions have a high awareness of the importance of reporting suspicious transactions. This can be caused by a lack of knowledge, a lack of understanding of regulations, or even a conflict of interest.⁵ In addition, suboptimal coordination between PPATK and law enforcement often slows down the enforcement process. In some cases, PPATK is also faced with limited access to certain data that is indispensable to track the flow of funds from corruption. These obstacles indicate that efforts to eradicate anti-trafficking require closer cooperation between various parties involved, including financial institutions, law enforcement, and other government agencies.

To face this challenge, PPATK needs to strengthen cooperation and synergize with various stakeholders. At the domestic level, PPATK needs to raise awareness of financial institutions about the importance of reporting suspicious transactions. Socialization of regulations and legal consequences for those who do not comply with the rules can be the first step to encourage increased reporting. In addition, the use of artificial intelligence-based technology (AI) and big data analysis can help PPATK in improving the efficiency of suspicious transaction analysis. This technology allows PPATK to identify complex crime patterns more quickly and accurately. On the other hand, international cooperation is also an important element, considering the many cases of TPPU involving cross-border fund flows. By partnering with Financial Intelligence

⁴ Hukumonline. "Getting to Know the Duties and Functions of PPATK and Its Authority." Retrieved December 24, 2024.

⁵ Bagir Manan, *Law and Supervision of Financial Institutions in Indonesia* (Jakarta: Ghalia Indonesia, 2018), p. 62.

Units (FIUs) from other countries, PPATK can expand its surveillance reach and accelerate the process of identifying illegal fund flows.⁶

In addition to technical measures, PPATK also needs to collaborate with educational institutions, non-governmental organizations, and the mass media to increase public awareness about the importance of eradicating anti-trafficking. Educating the public about the dangers of corruption and money laundering can encourage active public participation in reporting indications of financial crime. This step is also expected to build a strong anti-corruption culture in the community.

With a combination of technical and collaborative approaches, PPATK can play a more effective role in eradicating anti-trafficking. A more efficient handling of money laundering will not only suppress corrupt practices, but also restore public trust in the government and financial systems. In the long run, these efforts will have a positive impact on more inclusive, equitable, and sustainable economic development. As the spearhead in the eradication of financial crime, PPATK plays a key role in building a cleaner and corruption-free future for Indonesia.

2. Problem Formulation

Corruption often leads to money laundering resulting from corruption crimes, which are difficult to track and recover. Therefore, it is important to understand what the role of PPATK is in uncovering money laundering crimes resulting from corruption crimes and what obstacles are faced in the process?

3. Research Methods

This research uses a normative legal approach with a focus on the study of positive laws and norms that govern human behavior. The object of the research is the PPATK institution which plays a role in preventing and eradicating assets resulting from corruption crimes.

⁶ Financial Action Task Force (FATF), *The Role of International Cooperation in Combating Money Laundering* (Paris: FATF, 2020), h. 27.

This research includes a dogmatic analysis of law related to legal instruments, as well as legal theories used to analyze the role of PPATK in eradicating corruption. In addition, this study also discusses legal philosophy to understand the relevance of the position of PPATK in maintaining the balance of state power. The focus is on the principles of global justice and how the recovery of corrupt assets can be done effectively. Thus, this study aims to provide an understanding of the important role of PPATK in eradicating corruption.

B. DISCUSSION

1. The Central Role of PPATK in the Eradication of Money Laundering Crimes Resulting from Corruption Crimes

The Financial Transaction Reporting and Analysis Center (PPATK) is an institution that has a strategic position in efforts to eradicate money laundering (TPPU) in Indonesia, especially those originating from corruption crimes. The existence of PPATK not only supports the eradication of corruption, but also aims to maintain the integrity and stability of the country's financial system. As an institution that functions to analyze suspicious financial transactions, PPATK contributes directly to breaking the chain of funds that are illegally obtained and concealed through various mechanisms in the modern financial system.

The establishment of PPATK stemmed from Indonesia's need to conform to international standards in the prevention of money laundering and terrorism financing, as regulated by the Financial Action Task Force (FATF). The FATF is an international body that aims to develop policies to protect the global financial system from the threat of money laundering, terrorism financing, and the financing of the proliferation of weapons of mass destruction. Indonesia's membership in the FATF requires countries to meet certain standards, including the establishment of financial intelligence agencies such as PPATK that are capable of effectively identifying, analyzing, and reporting suspicious transactions. In this context, PPATK is the vanguard of Indonesia in fighting corruption, especially those related to money laundering from corruption.

As an independent institution operating under Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, PPATK

has broad authority to carry out its duties. One of the main roles of PPATK is to analyze financial transactions that are considered suspicious and report them to relevant law enforcement agencies, such as the Police, the Prosecutor's Office, and the Corruption Eradication Commission (KPK). This process starts from a suspicious financial transaction report (LTKM) submitted by a financial institution, which is then analyzed in depth by PPATK to identify indications of criminal acts. If sufficient preliminary evidence is found, PPATK will forward the results of the analysis to law enforcement for further legal proceedings.⁷

PPATK has advanced technological capabilities to detect suspicious transaction patterns within the banking system and other financial institutions. By utilizing big data and artificial intelligence (AI), PPATK is able to identify fund flows involving complex corruption networks. This technology allows PPATK to not only observe domestic transactions, but also detect cross-border fund flows which are often the modus operandi of financial criminals. In many cases, the proceeds of corruption are diverted to offshore accounts or converted into hard-to-trace assets, such as luxury properties or cryptocurrency. PPATK's ability to track and analyze cross-border financial data makes a major contribution to efforts to eradicate corruption.

In addition to the role of analysis, PPATK also functions as an institution that provides recommendations to the government regarding money laundering prevention policies. In carrying out this function, PPATK actively collaborates with financial institutions, both domestic and foreign, to increase awareness and compliance with anti-money laundering regulations. Education and socialization to the banking sector and other financial institutions is one of PPATK's top priorities. It is important to ensure that all parties involved in the financial system have an adequate understanding of their obligations in preventing the misuse of the financial system for illegal purposes.

Although it has a strategic role, PPATK is inseparable from various obstacles in carrying out its duties. One of the main challenges is the low level of

⁷ Corruption Eradication Commission (KPK), *Cooperation with PPATK in Corruption Eradication*, KPK Journal 15, no. 1 (2021): p. 32.

reporting from financial institutions. Not all financial institutions have a high awareness of the importance of reporting suspicious transactions. This can be caused by a lack of understanding of regulations, a lack of competent human resources, or even a conflict of interest. In addition, suboptimal coordination between PPATK and law enforcement agencies is often an obstacle in the enforcement process. In some cases, PPATK is also faced with limited access to certain data that is indispensable to track the flow of funds from corruption. This shows that the eradication of money laundering requires closer cooperation between the various parties involved.

To face these challenges, PPATK needs to continue to strengthen synergy with various stakeholders, including financial institutions, law enforcement, and the wider community. One of the steps that can be taken is to increase public awareness about the importance of reporting suspicious transactions through massive educational campaigns. In addition, PPATK can leverage more advanced digital technologies to improve efficiency and accuracy in financial data analysis. At the international level, cooperation with Financial Intelligence Units (FIU) from other countries can help PPATK in tracking the flow of funds across countries and accelerating the process of identifying perpetrators of financial crimes. With these various efforts, PPATK is expected to be able to carry out its duties more effectively in eradicating money laundering crimes, especially those originating from corruption crimes. PPATK's success in carrying out its role will not only have a positive impact on the integrity of the financial sector, but will also strengthen public trust in the legal system and government in Indonesia. In the long term, the central role of PPATK is key in realizing a cleaner, more transparent, and free Indonesia from corrupt practices.

2. Duties and Functions of PPATK in Eradicating Money Laundering Crimes Resulting from Corruption

As an institution that has great authority in terms of financial transaction supervision, the Financial Transaction Reporting and Analysis Center (PPATK) plays a very important role in efforts to eradicate money laundering (TPPU), especially those originating from corruption crimes. With the mandate stipulated in Law Number 8 of 2010 concerning the Prevention and Eradication of Money

Laundrying Crimes, PPATK has a strategic task to ensure that the financial system is not misused to support criminal activities. One of the main tasks of PPATK is to receive and analyze Suspicious Financial Transaction Reports (LTKM) submitted by financial institutions. These reports typically include information related to transaction patterns that do not match the customer's profile or suspicious financial activity. LTKM can come from a variety of financial institutions, such as banks, insurance, securities companies, and other financial institutions.⁸ An in-depth analysis of this report allows PPATK to detect indications of money laundering and identify transaction patterns that have the potential to hide illegal funds from criminal acts.

In addition to receiving reports, PPATK is also tasked with identifying and mapping the flow of funds related to money laundering. In the context of corruption, this task becomes increasingly complex because perpetrators often use various techniques to disguise the origin of funds. The analysis process involves the identification of unreasonably large transactions, the transfer of funds abroad through international banking networks, as well as the use of fake accounts or fictitious entities. These techniques are often used to hide traces of corrupt funds, making it difficult for law enforcement officials to track the flow of these funds. To carry out its duties effectively, PPATK works closely with various law enforcement agencies, including the Police, the Prosecutor's Office, and the Corruption Eradication Commission (KPK). This collaboration allows PPATK to provide relevant and timely information to the authorities responsible for investigations and law enforcement. In many cases, PPATK spearheads the flow of funds involving public officials or private parties involved in corruption scandals. By analyzing financial data in detail, PPATK is able to uncover networks involved in corruption crimes and create a strong basis for legal proceedings.

PPATK is also responsible for providing strategic recommendations to the government regarding the prevention of money laundering. This function includes the formulation of policies that can increase the transparency of the financial system and encourage financial institutions' compliance with applicable

⁸ Indonesia, *Law No. 8 of 2010 concerning the Prevention and Eradication of Money Laundrying Crimes*, (Jakarta: Government of Indonesia, 2010) p. 5.

regulations. Education and training for financial industry players is also part of PPATK's task to ensure that all parties have an adequate understanding of the risks of money laundering and how to prevent them. This effort aims to create a more transparent and accountable financial ecosystem.⁹

Not only at the national level, PPATK is also active in establishing international cooperation to support the eradication of cross-border money laundering. The flow of funds from corruption often involves international networks, so PPATK needs to cooperate with Financial Intelligence Units (FIU) from other countries. This collaboration allows PPATK to gain access to critical information that can assist in tracking cross-border fund flows and uncovering criminal networks operating globally. By leveraging advanced technologies, such as big data and artificial intelligence (AI), PPATK can improve the effectiveness of its analysis in identifying suspicious transactions involving different countries.

Nevertheless, PPATK is faced with a number of obstacles in carrying out its duties. One of the main obstacles is the low level of compliance of financial institutions in reporting suspicious transactions. Not all agencies have adequate mechanisms in place to detect suspicious activity, reducing the effectiveness of reporting systems. In addition, the complexity of money laundering techniques that continues to develop makes PPATK have to continue to adapt to new methods used by criminals.¹⁰ On the other hand, coordination with law enforcement agencies is also a challenge, especially in terms of sharing information and speeding up the enforcement process.

To face this challenge, PPATK needs to continue to improve its capacity, both in terms of technology and human resources. The use of AI-based technology and big data can help PPATK in identifying increasingly complex transaction patterns. In addition, training for financial analysts and increased cooperation with international institutions can provide strategic advantages in eradicating money laundering. With these measures, PPATK can further

⁹ Ministry of Finance of the Republic of Indonesia, "Money Laundering Prevention Education and Training," Jakarta: Ministry of Finance, 2021.

¹⁰ Financial Action Task Force (FATF), *Annual Report 2023* (Paris: FATF, 2023), h. 18.

strengthen its role in creating a clean financial system that is free from corrupt practices.

The success of PPATK in carrying out its duties and functions not only has a direct impact on the eradication of money laundering, but also contributes to broader efforts in building a clean, transparent, and accountable government. As an institution that is the spearhead in the prevention and eradication of anti-trafficking, PPATK has a great responsibility to support the creation of a cleaner and free Indonesia from corrupt practices.

3. Obstacles Faced by PPATK in Eradicating Money Laundering Crimes from Corruption

Despite having a very important role in the eradication of money laundering crimes (TPPU) resulting from corruption crimes, the Financial Transaction Reporting and Analysis Center (PPATK) faces various significant obstacles in carrying out its duties. These obstacles include aspects of human resources, regulations, inter-agency coordination, and challenges in international cooperation. One of the main obstacles is the limited human resources who have the competence to analyze very complex financial transactions. The increasingly sophisticated modern financial system and the use of technology by criminals create great challenges for PPATK. The limited number of personnel with specialized expertise in the areas of financial analysis, financial technology, and money laundering often affects the effectiveness of PPATK in handling a very large number of reports. Suspicious Financial Transaction Reports (LTKM) received by PPATK require in-depth and fast analysis to ensure that relevant action can be taken. With the number of reports continuing to increase every year, strengthening the capacity of human resources is a very important aspect to improve the performance of PPATK. In addition to increasing the number of personnel, continuous training and skill development are also key in facing these challenges.

In addition to human resource challenges, PPATK also faces obstacles in terms of regulation. Although Indonesia already has Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, the

implementation of regulations in the field still faces various obstacles. One of the main problems is the overlapping of procedures and the lack of synchronization between the relevant agencies. In many cases, coordination between law enforcement agencies, such as the Police, the Prosecutor's Office, and the Corruption Eradication Commission (KPK), is slow, slowing down the investigation and enforcement process.¹¹ In addition, differences in interpretation of regulations are often a source of obstacles in resolving cases. To overcome this problem, it is necessary to harmonize regulations and procedures between agencies, as well as improve more effective communication between PPATK and law enforcement.

Another challenge that is no less important is the obstacles in tracking the flow of illegal funds across national borders. In the era of globalization, many cases of money laundering involve international networks, where funds from corruption crimes are often diverted abroad through international banking networks or invested in assets in other countries. Regulatory differences between the countries involved are often the main obstacle in tracking and uncovering the flow of these illegal funds. For example, some countries have very strict bank secrecy rules, which can hinder PPATK's access to the information it needs. In addition, obstacles in international legal proceedings, such as the extradition of perpetrators or the return of assets hidden abroad, often take a very long time.

To overcome these challenges, international cooperation is essential. PPATK needs to continue to establish relationships with Financial Intelligence Units (FIUs) from other countries to accelerate information exchange and strengthen cross-border coordination. Through international forums, such as the Egmont Group, PPATK can share experiences and learn from the best practices of other countries in dealing with cross-border money laundering. In addition, Indonesia needs to strengthen the legal framework that supports international

¹¹ National Police of the Republic of Indonesia (Polri), *Inter-Institutional Coordination in Law Enforcement* (Jakarta: Polri, 2022), p. 24.

cooperation, including accelerating the process of adopting bilateral and multilateral agreements related to the eradication of anti-trafficking activities.

Another obstacle faced by PPATK is the limitations of the technology used in data analysis. Although PPATK has leveraged technology to process suspicious transaction reports, technological developments used by criminals are often more advanced. Money launderers are using increasingly complex methods, such as cryptocurrencies, digital finance platforms, or the use of shell company networks. Therefore, PPATK needs to constantly update and improve the technology used in data analysis to deal with increasingly sophisticated threats. The use of big data and artificial intelligence (AI) can help PPATK in identifying suspicious transaction patterns more quickly and accurately. These obstacles show that the task of PPATK in eradicating money laundering is not an easy thing. However, with strategic measures that include increasing human resource capacity, harmonizing regulations, strengthening international cooperation, and utilizing cutting-edge technology, PPATK can continue to strengthen its role in creating a clean financial system free from corrupt practices. PPATK's success in overcoming these obstacles not only contributes to efforts to eradicate money laundering, but also supports Indonesia's development that is more transparent, accountable, and free from corruption.

4. PPATK's Strategy in Overcoming Obstacles to Money Laundering Eradication

To overcome the various obstacles faced, the Financial Transaction Reporting and Analysis Center (PPATK) continues to strive to strengthen its internal capacity through a number of innovative strategic steps. One of the main efforts made is to improve information technology systems and analysis tools used to detect suspicious transactions more efficiently and effectively. With the rapid development of technology, PPATK has begun to utilize advanced technologies such as data analytics, big data, and machine learning to accelerate the identification of suspicious fund flows and detect potential money laundering crimes. The utilization of this technology allows PPATK to not only analyze large amounts of transactions but also identify transaction patterns that were previously difficult to detect.

In addition to technology, PPATK also seeks to strengthen cooperation with law enforcement agencies in the country. Institutions such as the Corruption Eradication Commission (KPK), the Indonesian National Police, and the Attorney General's Office are strategic partners in accelerating the investigation and prosecution process of corruption and money laundering. This cooperation is realized through the exchange of information, coordination of procedures, and the implementation of joint operations designed to handle large cases with significant impact. This effort aims to overcome coordination obstacles that have been obstacles in the eradication of financial crimes.

At the international level, PPATK continues to expand its cooperation network with international institutions, such as the Financial Action Task Force (FATF) and the Egmont Group.¹² Through this collaboration, PPATK can increase its capacity and effectiveness in dealing with money laundering involving cross-border fund flows. This international cooperation also includes access to relevant information, training, and sharing of experience in handling complex cases. For example, the Egmont Group allows PPATK to communicate with Financial Intelligence Units (FIUs) in other countries more quickly and efficiently. This is very important in handling cases involving perpetrators or funds that are abroad.

Raising awareness among the public and the financial sector is also an integral part of PPATK's efforts to encourage compliance with suspicious transaction reporting obligations. Through various socialization and education programs, PPATK strives to build a better understanding of the importance of money laundering prevention. This education is not only aimed at financial institutions, but also the general public, including small and medium business actors, who are often targeted by money laundering actors. By building awareness and understanding, PPATK hopes to create a more transparent and accountable financial ecosystem. In addition, PPATK also strengthens internal regulations by improving relevant policies and work guidelines to increase operational effectiveness. The preparation of new guidelines that are adjusted to

¹² Financial Action Task Force (FATF), *The Role of International Cooperation in Combating Money Laundering* (Paris: FATF, 2020), h. 18.

current needs allows PPATK to be more adaptive to changes in the modus operandi of financial crime perpetrators. This step is also supported by intensive training for analysts and investigators to improve their skills in identifying suspicious transactions and compiling analytical reports that can be used as strong evidence by law enforcement.

With these various steps, PPATK shows a strong commitment to continue to strengthen its role in eradicating money laundering crimes stemming from corruption crimes. Through the use of technology, strengthening cooperation, increasing public awareness, and developing internal capacity, PPATK is expected to be more effective in carrying out its duties and contributing to efforts to create a clean, transparent, and integrity financial system. The success of these measures will not only increase public confidence in government institutions but also accelerate the creation of fairer and more sustainable economic development.

5. The Concept of Eradicating Corruption According to Law Number 31 of 1999 and Law Number 20 of 2001

Corruption is a problem that has long hindered economic development and created social injustice in Indonesia. Corrupt practices, which often involve public officials, cost the state enormous amounts and divert resources that should be used for the development of important sectors such as education, health, and infrastructure. The bad impact of corruption is not only felt on the economy, but also on social inequality that is widening in society. To overcome this problem, Indonesia has formulated stricter regulations through Law Number 31 of 1999 concerning the Eradication of Corruption Crimes, which was later amended by Law Number 20 of 2001. These two laws play an important role in strengthening the legal system in Indonesia to effectively eradicate corruption.

Law Number 31 of 1999 was first passed to provide more detailed regulations regarding corruption crimes. This law regulates various types of abuse of power by public officials, carried out for personal or group interests that

are detrimental to the state.¹³ More specifically, this law covers various forms of acts that aim to obtain personal benefits by harming the state, either through abuse of office, budget misappropriation, and other administrative irregularities. On the other hand, this law also gives more authority to law enforcement officials, both the police and the prosecutor's office, to handle corruption cases. This is expected to speed up the law enforcement process and reduce the adverse impact caused by corruption on the country's social and economic life.

Although Law Number 31 of 1999 has provided a fairly strong legal foundation, in practice, there are still many legal loopholes and indecisiveness that cause the eradication of corruption to be not fully effective. Therefore, there is a need to update this law in order to better handle the complexity of corruption crimes. In response to this, in 2001, the government passed Law Number 20 of 2001 which was an amendment to the previous law. This amendment aims to clarify provisions on corruption crimes and strengthen efforts to eradicate corruption, especially those involving the private sector and the role of foreign parties that contribute to corrupt practices in Indonesia.

One of the significant reforms presented by Law Number 20 of 2001 is the emphasis on recovering state losses caused by corruption crimes. In this law, corrupt perpetrators are required to return property or money obtained from their actions to the state, which can then be used for the benefit of the community, such as infrastructure development and public services.¹⁴ With this provision, Law Number 20 of 2001 not only regulates criminal sanctions, but also emphasizes the importance of recovering state losses, which is often a big problem in the eradication of corruption. This recovery process is very important to minimize the impact of state losses caused by harmful corrupt practices.

In addition, Law Number 20 of 2001 also gives broader authority to the Corruption Eradication Commission (KPK). In this law, the KPK is given greater authority to conduct investigations and investigations into corruption cases

¹³ Corruption Eradication Commission (KPK), *Abuse of Power and Administrative Irregularities in Corruption* (Jakarta: KPK, 2022), p. 20.

¹⁴ Ministry of Law and Human Rights of the Republic of Indonesia, *The Implementation of State Loss Recovery in Corruption* (Jakarta: Ministry of Law and Human Rights, 2001), p. 13.

without requiring permission from other officials. This allows the KPK to be faster and more effective in uncovering major cases involving public officials or important figures in the country. With this authority, it is hoped that the KPK can carry out its functions optimally in eradicating corruption.

Another update regulated in Law Number 20 of 2001 is the use of technology in the investigation and proof of corruption cases. Along with the development of digital technology, electronic evidence is becoming increasingly relevant and accountable in court. This provision gives law enforcement officials the ability to collect stronger and more accountable evidence, such as electronic documents, recordings of conversations, or other evidence related to corruption crimes. With this technology, the investigation process becomes more transparent, efficient, and accountable. This is certainly very important to maintain accountability and ensure that every step taken in handling corruption cases can be accounted for.

Overall, Law Number 31 of 1999 and Law Number 20 of 2001 have a very large role in strengthening the eradication of corruption in Indonesia. These two laws not only provide a stronger legal foundation, but also clarify the various steps that must be taken in eradicating corruption.¹⁵ By giving greater authority to law enforcement agencies, such as the KPK, as well as more detailed arrangements regarding the recovery of state losses, it is hoped that Indonesia can reduce the still high level of corruption. The consistent application of Law Number 20 of 2001 is expected to create a government that is more transparent, accountable, and free from corrupt practices. That way, this systematic and firm eradication of corruption can have a positive impact on the economy and accelerate the creation of social justice in Indonesia. In the long term, the implementation of this law is expected to bring Indonesia to a country that is free from corruption and improve the welfare of the people equally.

6. The Role of Law Number 8 of 2010 in the Prevention and Eradication of Money Laundering in Indonesia

¹⁵ Corruption Eradication Commission (KPK), *Effective Measures in Corruption Eradication* (Jakarta: KPK, 2023), p. 18.

The prevention and eradication of money laundering in Indonesia has been further strengthened by the enactment of Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes (TPPU Law). One of the main focuses of this law is the eradication of money laundering practices which are often a follow-up to other criminal acts, including corruption, drug trafficking, terrorism, and other organized crime. In the context of corruption eradication, money laundering is a tool used by perpetrators to hide the traces and origins of funds from corruption, with the aim that the funds can be used without being detected by law enforcement officials. Therefore, the disclosure of money laundering crimes is very important in efforts to overcome corruption in Indonesia.

One of the institutions that has a strategic role in uncovering money laundering is the Financial Transaction Reporting and Analysis Center (PPATK). PPATK is an institution established by the Indonesian government with the main task of analyzing and reporting suspicious financial transactions, as well as providing recommendations to law enforcement officials related to the possibility of money laundering crimes. The existence of PPATK is very important, especially in exposing money laundering practices that originate from corruption crimes, which are often carried out using various complex methods and channels.

One of the main roles of PPATK is to identify and analyze suspicious transactions that may be related to money laundering crimes.¹⁶ Based on Law Number 8 of 2010, financial institutions in Indonesia, such as banks, insurance, and other non-bank financial institutions, are required to report suspicious transactions to PPATK. These suspicious transactions can be in the form of large amounts of money transferred in a short period of time, the existence of transaction patterns that do not match the customer's profile, or abnormal transactions based on business activities carried out by the customer.¹⁷ PPATK then analyzes these transactions using various methods and technologies to

¹⁶ Indonesia, *Law No. 8 of 2010 concerning the Prevention and Eradication of Money Laundering* (Jakarta: Ministry of Law and Human Rights of the Republic of Indonesia, 2010), p. 12.

¹⁷ *Ibid.*, p. 17.

detect potential money laundering. In this case, PPATK plays a central role in collecting and analyzing transaction data that can be used to follow up on allegations of money laundering crimes involving the proceeds of corruption.

In addition, PPATK also has the authority to provide information and recommendations to law enforcement officials such as the Police, the Prosecutor's Office, and the Corruption Eradication Commission (KPK) related to the results of the analysis that has been carried out. If PPATK finds indications of money laundering related to corruption, PPATK can provide a report to the law enforcement agency to continue with further investigation. In many cases, PPATK is the main source of information that assists the KPK, the National Police, and the Prosecutor's Office in uncovering and dismantling money laundering networks involving public officials or other important figures involved in corruption crimes.

The role of PPATK in disclosing corruption money laundering crimes is not only limited to analyzing transactions and providing recommendations. PPATK is also involved in coordinating with international institutions through cooperation between countries in terms of exchanging information related to suspicious transactions. Money laundering often involves cross-border transactions, so international cooperation is very important. In this regard, the PPATK works closely with the Financial Action Task Force (FATF) and other international organizations to identify and crack down on global money laundering networks. Indonesia as a member of the FATF, which is an intergovernmental organization tasked with combating money laundering and terrorism financing, makes this international cooperation very important in strengthening efforts to eradicate money laundering at the global level. In addition, Law Number 8 of 2010 also gives PPATK the authority to request further information related to the identity of customers, accounts, or suspicious transactions, including through the "Know Your Customer" (KYC) mechanism implemented by financial institutions.¹⁸ This KYC process is one of the most important instruments in the prevention and disclosure of money laundering

¹⁸ Indonesia, *Know Your Customer (KYC) in Money Laundering Prevention* (Jakarta: Ministry of Law and Human Rights, 2015), p. 45.

crimes, especially those related to corruption crimes.¹⁹ With this authority, PPATK can ensure that financial institutions implement proper identification procedures and can provide accurate information about transactions made by their customers.

In addition to functioning as a supervisor and analyst of financial transactions, PPATK also has a role in the management and seizure of assets related to money laundering crimes. In this case, PPATK can cooperate with the KPK, the Police, and the Prosecutor's Office to confiscate assets allegedly obtained from corruption crimes. These confiscated assets can be money, property, or other assets obtained from the proceeds of crime. The confiscation of these assets is very important because it can reduce the negative impact of corruption crimes and provide a deterrent effect for criminals. In addition, these confiscated assets can be used to return the losses caused by these criminal acts, both to the state and society. Through its very important role in analyzing suspicious transactions, providing recommendations to law enforcement officials, collaborating with international institutions, and confiscating assets resulting from money laundering crimes, PPATK makes a great contribution to the eradication of money laundering crimes originating from corruption crimes. The existence of PPATK strengthens measures to prevent and eradicate money laundering in Indonesia, as well as help maintain the integrity of the national and international financial systems. In the face of the increasingly complex challenges of financial crime, the role of PPATK will continue to be an integral element in Indonesia's efforts to create a clean and transparent financial system, as well as support the creation of a corruption-free government.

C. CONCLUSION

PPATK has a strategic role in uncovering money laundering crimes (TPPU) that originate from the proceeds of corruption crimes. As a financial intelligence agency, PPATK functions to collect, analyze, and convey suspicious financial information to the authorities, especially law enforcement. In practice, PPATK not only contributes to the process of reporting suspicious transactions,

¹⁹ *Ibid.*, p. 47.

but also supports investigations with comprehensive data analysis. Based on Law Number 31 of 1999 concerning the Eradication of Corruption Crimes, which was updated by Law Number 20 of 2001, the crime of money laundering originating from the proceeds of corruption crimes is included in the category of *extraordinary* crimes. The law emphasizes that assets resulting from corruption crimes hidden through money laundering must be identified, confiscated, and returned to the state. In this case, PPATK has an important responsibility to support the implementation of the law by conducting an in-depth analysis of suspicious fund flows. However, the implementation of PPATK's duties still faces various obstacles, such as low reporting levels by financial institutions, lack of legal awareness, and suboptimal coordination with law enforcement. In addition, limited access to certain data and challenges in cross-border fund flows are the main obstacles in uncovering TPPU cases as a whole.

BIBLIOGRAPHY

- Bagir, Manan, 2017, *Korupsi dan Tantangan Penegakan Hukum di Indonesia*, Jakarta: Ghalia Indonesia, h. 56
- .Bagir, Manan, 2018 "Hukum dan Pengawasan Lembaga Keuangan di Indonesia" Jakarta: Ghalia Indonesia, h. 62.
- Financial Action Task Force (FATF), 2020 "The Role of International Cooperation in Combating Money Laundering" , FATF, Paris,h. 18-27.
- Financial Action Task Force (FATF), 2023 "Annual Report 2023" , FATF, Paris,h. 18.
- Harsono, 2021 "Analisis Ketimpangan Sosial Akibat Korupsi di Indonesia," *Jurnal Sosial dan Hukum* 8, no. 2, h.112.
- Indonesia, Undang-Undang Nomor 8 Tahun 2010 tentang Pencegahan dan Pemberantasan Tindak Pidana Pencucian Uang (Jakarta: Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia, 2010),h.12-17.
- Indonesia, 2015, *Know Your Customer (KYC) dalam Pencegahan Pencucian Uang* (Jakarta: Kemenkumham, 2015),h. 45-47.
- Indonesia, 2010, Undang-Undang Nomor 8 Tahun 2010 tentang Pencegahan dan Pemberantasan Tindak Pidana Pencucian Uang, (Jakarta: Pemerintah Indonesia) h. 5.

Hukumonline. "Mengenal Tugas dan Fungsi PPATK serta Kewenangannya." Diakses pada 24 Desember 2024.

Kementerian Keuangan Republik Indonesia, 2021, "Edukasi dan Pelatihan Pencegahan Pencucian Uang," Jakarta: Kementerian Keuangan.

Kepolisian Negara Republik Indonesia (Polri), 2022, Koordinasi Antar Lembaga dalam Penegakan Hukum (Jakarta: Polri),h. 24.

Komisi Pemberantasan Korupsi (KPK), 2021, Kerjasama dengan PPATK dalam Pemberantasan Korupsi, Jurnal KPK 15, no. 1, h. 32.

Komisi Pemberantasan Korupsi (KPK), 2022Penyalahgunaan Kekuasaan dan Penyimpangan Administratif dalam Korupsi (Jakarta: KPK),h. 20.

Transparency International. "2023 Corruption Perceptions Index." Diakses pada 23 Desember 2024