



The Effectiveness of Law Enforcement in Efforts to Impose Crime of Money Laundering the Perspective of International Law

Dwi Nurlaeli; Joko Setiyono

Master of Law Program, Faculty of Law, Diponegoro University, Indonesia

<http://dx.doi.org/10.18415/ijmmu.v11i8.6119>

Abstract

The prevention of money laundering crimes is crucial and urgent, given the large impact it can have on national finances, social order, and economic security are all adversely affected by money laundering violations. Therefore, using normatian juridical research technique for literature research, we need to determine the extent to which international regulations can be applied in the fight against money laundering, where countries' compliance rates vary and often do not reach the desired level. Studies suggest that the first international tool through the UN convention, there must be an internationally enforced standard, forty measures imposed by the Financial Action Task Force (FATF) being used in the practice of laundering crime. Despite national law and international law enforcement that regulates criminal money laundering, there is still a weak link between the financial monitoring system and the lack of expertise of the supervisors in the field.

Keywords: *Law Enforcement; Criminal Money Laundering; International Law*

Introduction

The Unitary State of the Republic of Indonesia declares itself to be a legal state based on its constitution. As a direct result of the Constitution's strict provisions regarding the supremacy of law, concrete measures must be taken to safeguard the law in order to achieve justice. Effective implementation of national legal policies is very important to implement the state design stipulated by the constitution.

The idea and notion of legal sovereignty is the origin of the term "rule of law"; This view holds that the laws of a country are the authority the highest. Therefore, all components of the nation must submit, obey and comply with the law without exception. The role and objectives of the contemporary state are based on the idea of a welfare state, which comes from the previous description of the rule of law. Not only that, the formal legal state is built on the idea of strict supervision of the implementation of state authority or government, which is in sharp contrast to the welfare state.¹

¹ Hestu Cipto Handayono, *Hukum Tata Negara Indonesia Menuju Konsolidasi Sistem Demokrasi*, (Jakarta: Universitas Atma Jaya, 2009), p, 17

In the idea of a rule of law, the state (as a political entity) has the responsibility to formulate legal policies. Power in Indonesia is divided based on the *trias politica* which consists of the executive, judiciary and legislature. In terms of making laws and regulations, the executive and legislative institutions are tasked with forming laws, while the judiciary is tasked with enforcing the law in adjudicating cases.

Undoubtedly, there are many moving parts in the governance of a country. The increase in criminal activity and its development in society are two dynamics that society faces. So, legal policies must regulate how to deal with phenomena that threaten the stability and security of the state and society. In a legal context, the formulation of standards or statutory regulatory documents is known as legal policy. However, there are a number of legal policy words that we may need to keep in mind. The words "politiek" (Dutch) and "policy" (English) are the origins of the word policy in English.

Politics and policy in the field of criminal law can be seen as guiding principles for assessing the extent to which relevant criminal law needs to be revised or updated; this is fundamentally related to the urgent need for reform in this area. This then includes efforts to avoid illegal behavior by finding out what can be done to stop it from happening happen. This relates to the criminal justice system's efforts to reduce crime by establishing procedures for investigation, prosecution, trial and criminal execution.

"Money laundering," as it is more commonly known in English, is a problem that affects countries around the world. Money laundering is a term that does not have a comprehensive and mutually agreed meaning. To determine what is meant with money laundering, we only need to rely on the word of experts and the provisions of the law.

Sarah N. Welling stated in Herlina Hanum's journal entry that the presence of "haram money" or "dirty money" is the first step in the money laundering process. Sarah N. Welling argues that tax evasion and other forms of illegal activity are the two main ways that funds can be tainted. When someone earns money legally but reports a smaller amount to the government for tax reasons, this is called tax evasion.²

Since its discovery in 1930, the issue of money laundering has emerged. There seems to be a close connection between this phrase and laundry services. In this case, criminals and members of the American mafia used ill-gotten gains to buy the company. Additionally, money laundering services are used to hide illegally obtained funds by making them appear as if they came from a lawful source.³

People are starting to engage in this method of money laundering only with funds obtained from trafficking illegal drugs, including opioids and related substances. However, when it comes down to it, money laundering does not originate from other types of criminal activity. such as criminal activity that appears to hide previous offenses and facilitate the spending of stolen funds.⁴

In response to growing frustration with previous efforts to eradicate illegal drug trafficking, the international community established a legislative framework to combat money laundering. There was a shift in crime fighting as anti-money laundering became commonplace; the emphasis shifted from catching criminals to confiscating their ill-gotten wealth.

Strong legislative legislation and collaboration with law enforcement are needed to eliminate the characteristics of money laundering. The characteristics of transnational crime include the participation of several actors, both domestic and foreign, in committing criminal acts which in reality constitute money laundering.

² Herlina Hanum Harahap, Pencegahan Dan Pemberantasan Tindak Pidana Pencucian Uang. *Amaliah: Jurnal Pengabdian Kepada Masyarakat*, Vol.4, No.2, (2020):188.

³ N.H.T. Siahaan, *Pencucian Uang Dan Kejahatan Perbankan*, (Jakarta: Pustaka Sinar Harapan, 2002), p. 6

⁴ Ahmad Dwi Nuryanto, *Problem Penyidikan Tindak Pidana Pencucian Uang Yang Berasal Dari Predicate Crime Perbankan. Bestuur*, Vol. 7, No.1, (2019): 57

There are a number of international legislative tools and collaborations between law enforcement agencies that must address the ongoing problem of money laundering. The creation of a global anti-money laundering body with representatives from various countries and the establishment of an extradition treaty are sensible steps in the right direction.

Law Number 15 of 2002, which criminalizes money laundering, was passed in Indonesia, marking the start of the state's fight against this crime. Money laundering prevention measures existed before this law was enacted, however just applied on financial institutions. Bank Indonesia Regulations on Know Your Customer Principles, a collection of regulations issued by the banking authority, proves this.

Human behavior in social and state life is becoming increasingly complicated, even multi-complex, as a result of advances in culture, science and technology. Complex behavior like this often leads to actions that violate norms, which can cause chaos in the justice system and have a negative impact on society. Both new forms of crime and technological advances are progressing at dizzying speed. A type of criminal act that is developing both in terms of methods, targets and instruments.

As technology has become more sophisticated, crime has changed almost every industry. Large amounts of technology are used by transnational and domestic criminals to facilitate their activities. Due to the vastness and limitlessness of the internet, this is done because technological means can make the implementation of control by law enforcement more difficult, faster and easier.

Criminals may be better prepared to explore new strategies for committing money laundering crimes due to advances in technology. Detection of money laundering crimes is increasingly complicated by the increasing prevalence of the underlying crimes. Therefore, there is a need for a more in-depth study of existing criminal law programs that aim to address and eradicate money laundering activities.

This research needs to be carried out to find out how effective existing criminal regulations are in eradicating money laundering crimes. These crimes have far-reaching consequences, not only impacting government finances but also society and economic stability. But more than that, new crimes are being born from money laundering which are destroying the legal atmosphere and threatening the fulfillment of people's basic rights.

The study differs from previous studies in that it focuses on the role of international law in the prevention of criminal money laundering and how effective this policy is in eradicating the crime of money laundering by comparing other countries of the United States, Switzerland and Thailand

Formulation of the problem

- 1) How is legal policy regarding money laundering international law perspectives?
- 2) What Is the current legal policy effective in eradicating criminal money laundering?

Research Methods

The method of research used in this study is the normatif juridical approach or law research literature, to collect secondary data for the study. These materials come from sources including laws, rules, legal theories, and principles.⁵ The writer intended to further undertake this study based on previous background explanations. To review and analyze the criminal policy of money laundering in Indonesia

⁵Soerjono Soekanto dan Sri Mamudji. *Penelitian Hukum Normatif*. (Jakarta: RajaGrafindo, 1994), p. 13

from international law and the legal system's ability to fight and eliminate money laundering in today's digital world is the purpose of this research

Discussion

A. Money Laundering Crimes According to International Law

The efforts of the world community to combat the dangers posed by money laundering reflected in the rules relating to this practice in international agreements. International legislation against money laundering took its first major step with the UN Convention Against Transnational Crime in 2000. To prevent money laundering, this treaty recognized the need for international cooperation and cross-border law enforcement

Additionally, in 1989, an intergovernmental body called the Financial Action Task Force (FATF) was created with the aim of creating and promoting the implementation of global guidelines for the prevention and management of money laundering. When it comes to combating fund laundering and terrorist financing, the FATF set of guidelines has become the gold standard on a global scale. For member states to enact appropriate policies and regulations, this document provides guidance.

The 2000 UN Convention Against Transnational Organized Crime (UN Convention Against TNCs) is another important instrument. This agreement includes additional protocols related to money laundering crimes. Countries are required to take certain steps, such as cooperating internationally, seizing suspicious assets, and offering legal assistance, to combat money laundering, as outlined in this document.

As a result of global efforts to better coordinate the handling of money laundering cases, these documents include laws and regulations relating to money laundering. The trend toward standardized definitions, penalties, and preventive measures in response to money laundering problems worldwide is also demonstrated by developments in international law.

A key tool in the global effort to combat money laundering is the 2000 UN Convention Against Transnational Organized Crime, more commonly known as the Palermo Convention. The aim of this agreement is to strengthen international cooperation in combating money laundering and forms other transnational organized crimes. The Additional Protocol to this agreement addresses the prevention, prosecution and punishment of money laundering offences.⁶

When it comes to creating global regulations to combat money laundering, the Financial Action Task Force (FATF) has now become an indispensable entity. Coordinate national efforts to prevent money laundering and terrorist financing became the main motivation for the formation of the Financial Action Task Force (FATF). To help its member countries combat money laundering, the FATF has published a series of recommendations known as the FATF Recommendations. Recognizing and reporting suspicious transactions, customer verification requirements, and dealing with non-performing assets are just a few of the many areas addressed by these suggestions.

International efforts to combat money laundering have additional instruments, such as the FATF Recommendations and the Palermo Convention. The UN Convention against Corruption is one such document; it includes measures to combat corruption-related money laundering and details how to implement them. To further enhance cooperation in combating money laundering, several regions and

⁶ United Nations Office on Drugs and Crime. (n.d.). United Nations Convention against Transnational Organized Crime. <https://www.unodc.org/unodc/en/organized-crime/intro/UNTOC.html>. Diakses Pada tanggal 12 Mei 2024.

countries have implemented regional or bilateral mechanisms. These agreements facilitate the exchange of information and coordination of law enforcement efforts across international borders.⁷

The importance of international collaboration in combating and remediating money laundering is emphasized by this international legal framework. Early detection, reporting of suspicious transactions, monitoring of questionable assets, efficient law enforcement, and coordinated preventative action are the ideals these tools uphold. As a result of this structure, countries can coordinate their response to the problem of organized and sophisticated money laundering around the world.

This article compares and contrasts anti-money laundering policies in the United States, Switzerland, Thailand:⁸

1. Setting in the United States

A comprehensive legislative framework has been implemented by the United States (Country A) to combat and manage money laundering. The Money Laundering Act defines what constitutes money laundering and sets out procedures for investigating, prosecuting and trying cases involving the crime. When American authorities detect questionable financial activity, they collaborate with the banking industry to turn it over to FinCEN, the relevant federal agency. In terms of return on assets related to money laundering and intelligence sharing, the US has also built international cooperation.

The requirements of the law governing money laundering in the United States include the 1992 unsolicited act which expanded the proposed financial incentives definition in bsa, increasing the requirement for enabling and criminalizing "illegal money laundering" activities. The law is widely known as the law enforcing what has been known as "death penalty," which stipulates that when a bank is charged with money laundering, the federal banking overseer begins a process by either revoking the company's license or withdrawing its insurance. The law also created the BSA advisory group (one of its founding members of the federal reserve) as a way to increase the effectiveness and efficiency and anti-money laundering programs of the Treasury Department.

Then the money unimpesion act of 1994 has been issued again by the money prompt act of structuring terrorism the prevention act of 1996 has added to terrorist crimes The financial crimes enforcement network (FinCEN) in 1992 founded the financial crimes enforcement network (FinCEN), under the ministry of finance, and later in 1994 renewed the money prompt act 1994. The rupiah's exchange rate against the us dollar strengthened to rp9,100 per dollar in the Jakarta interbank position on Tuesday morning as investors were careful in buying the local unit, he said. In addition to providing support to law enforcement by providing new information and information analysis for prevention, money laundering, and prosecution

2. Setting in Switzerland

Another country that makes eradicating money laundering a top priority is Switzerland (Country B). Realize money laundering as serious violations, this country has enacted the Prevention of Money Laundering and Terrorism Financing Act. The termination and confiscation of assets related to this violation is regulated by this law. Furthermore, Switzerland urges the corporate and financial sectors to notify authorities of any questionable transactions. These efforts support the proper management and prevention of money laundering.

⁷ Stessens, Guy. *Money laundering: a new international law enforcement model*. (Cambridge: Cambridge University Press, 2000), p.7

⁸ Andriawan, D. (2006). Pengaturan Kejahatan Money Laundering (Pencucian Uang) di Beberapa Negara. *Jurnal Hukum PRIORIS*.

The Swiss law against money laundering (AML) is largely governed by money laundering (AMLA) and anti-money laundering (AMLO) laws. Amla, legalized in 1997 and renewed in 2016, is a key legal framework that outlines financial intermediaries' duties in preventing, identifying, and reporting alleged money laundering or funding operations of terrorism.

These double structured legislation provided the basis for the aml framework in Switzerland, which combined the requirements of high levels of legislation with practical guidelines. Changes to the aml regulations in Switzerland have been gradual over the past several years through various international laws, treaties, and institutions. This development is partly a response to Switzerland's reputation as a high-risk country toward money laundering, which may account for the "self-introduction" premise that underlies the financial sector of Switzerland.

Some recent changes to the Swiss money laundering rule include:

- a) The Swiss banker association, the Swiss banker association (sba) published a revised agreement on the code of ethics of Swiss Banks on the implementation of the final test (CDB 20), which was then agreed upon. Went into effect on January 1, 2020.
- b) The Swiss parliament, the Swiss parliament passed the amendment to the revised money laundering act in March 2021. At his meeting on August 31, 2022, the federal council stipulated January 1, 2023, as the date for the revision. The law of money laundering (mla) and the law of money laundering (mlo) will go into effect.

Similarities and Differences in Money Laundering Regulations

Although the US and Switzerland both aim to combat money laundering, each country's legislative framework employs different but complementary methods. The two are similar in that both have extensive legal systems to track, investigate, and punish those responsible for money laundering. Additionally, they result in global collaboration for information sharing and asset recovery. However, the two differ in the specifics of execution and punishment. In some cases, the United States may impose harsher penalties, while Switzerland may prioritize education and rehabilitation programs for cooperating criminals.

Effective money laundering laws require international collaboration to address complex and cross-border issues, so it is important to understand these similarities and differences. Other countries can learn from this comparative analysis and implement measures to combat money laundering.

The integration of international concepts and standards into local legal frameworks is an issue faced by governments around the world as they seek to implement money laundering restrictions into national law. The effectiveness of measures taken to prevent and deal with money laundering depends on these measures, which are more than mere formalities. When implementing international regulations at the national level, it is important to check whether they are appropriate and in line with the existing legal framework.

3. Thailand

The Thai government had initiated a money laundering policy (money straightforward control act b. e 2542 (1999) which had been enacted on April 21, 1999 and had gone into force on August 20, 1999.⁹

Enforced by the money straightforward control act 2542 (1999), so the original delict object that can be provoking unabated money was;

- a) Offences relating to narcotics

⁹ Hamdani, Acep Roni, and Sarah Anida Putri. "Analisis Peran Hukum Internasional Dalam Menanggulangi Kejahatan Transnasional: Fokus Pada Kerjasama Regional." *Arbitrase: Jurnal Ilmiah Ilmu Hukum* 1.01 (2024): 5-9.

- b) Offences relating to sexuality under Penal Code
- c) Offences relating to cheating and to the public under Penal Code or offences pursuant to the Fraudulent Loans and Swindles Act.
- d) Offences relating to embezzlement, cheating or fraud involving a financial institution
- e) Offences relating to malfeasance in office.
- f) Extortion or blackmail by a member of an organized crime group
- g) Evasion of Customs duty
- h) Terrorism

It is not the same as the criminal theft in Indonesia, since in the United States it is the act of kidnapping (480 KHP). So there's actually no need for delic thievery to be included as staple delik in money laundering.

In Thailand, there is an organization organized to fight against money laundering, called the highly organized committee under the prime minister and has considerable authority over the counter control of money laundering. Whereas the council that had been commissioned to ban the practice of money straightforward in Thailand was the office of anti-money technology (AMLO), which was established by the Thai government on August 20, 1999. In practice, the prosecution does after the court ruling on its predictability. But the investigation is run at the same time or immediately after the predicate investigation of his office¹⁰

Based on the description, the delic that has been the cause of the unconnected money generated by some countries has some similarities and differences. In the enforcement of the law of money remarkable in Thailand, the practice of prosecution follows its predictive statements and the immediate after the predicate office inquiry, while in Indonesia as in chapter 3 or chapter 6 that would require that evidence "originate in the criminal act" or at least "suspected of criminal origin."

In the United States, on a sting after section 1956 (a) (c), which is created by the 1956 clause (a) (1) can use the booby operation in the disclosure of money laundering. This can be done by the instice-authorized handling of money laundering cases in the United States of America is the finCEN. Similar agencies are known in Thailand by the office of anti-money straightforward (AMLO), whereas in Indonesia is known as the financial analysis reporting centre (PPATK)

B. The Ability of Criminal Policies in the Legal System in Indonesia to Overcome and Eradicate Money Laundering Crimes

Due to the potential harm it may cause to the Indonesian economy and finances, money laundering is a major problem in the country. To combat and prevent money laundering, the Indonesian government has implemented many measures. A major effort was the passing of several anti-money laundering laws and regulations. Law on Prevention and Eradication of Crimes Money Laundering Crime, number. 8 of 2010 (UU PPTPPU), provides an important legislative framework to resolve this problem.

Drugs, corruption, human trafficking and other international crimes are often linked to money laundering in Indonesia. To better monitor and enforce laws against crimes involving money laundering, the country is seeking to increase cooperation between relevant organizations, such as the Police, Prosecutor's Office and financial institutions. Apart from that, Indonesia also complies with international norms set by the FATF and takes part in international cooperation to combat money laundering.

¹⁰ Wahyuningsih, Sri Endah, and Rismanto Rismanto. "Kebijakan Penegakan Hukum Pidana Terhadap Penanggulangan Money Laundering Dalam Rangka Pembaharuan Hukum Pidana Di Indonesia." *Jurnal Pembaharuan Hukum* 2.1 (2016): 46-56.

To uphold international promises to eradicate transnational crime and maintain the financial and economic integrity of countries, combating and preventing money laundering is essential.

One of the main obstacles to prosecuting money laundering crimes in Indonesia is the detection of questionable financial activity. To hide the true source of illicit money, money laundering often involves a complex network of transactions. It is difficult for regulatory bodies to discover such transactions because they often span multiple economic sectors and locations. Additionally, criminals involved in money laundering use many strategies to hide their tracks, including splitting payments, creating fake businesses, and spreading transactions across small amounts.

If suspicious transactions cannot be recognized quickly enough, illicit transactions will go unnoticed. Criminals can then use these funds to cover their tracks, evade the scrutiny of authorities, and defend what is rightfully theirs. The only way to overcome this problem is to use more advanced technology and make regulatory agencies better at recognizing questionable transaction patterns.

Human resources involved in financial oversight are critical to the successful detection of questionable activities. We need specialists who can detect suspicious or out-of-the-ordinary financial activity. To further increase effectiveness in detecting and stopping money laundering activities, strategies that emphasize data analysis and additional technologies should be implemented.

Enforcement of money laundering crimes in Indonesia is hampered by a weak financial supervision system. Inadequate oversight can allow questionable transactions to slip through the cracks, despite rules and regulations requiring financial institutions to disclose such activity. When the system is unable to detect subtle and complex transaction patterns that are indicators of money laundering, this vulnerability becomes more obvious. Another potential obstacle is the lack of expertise of financial supervisory officials in their field. A thorough understanding of the various techniques and tactics used for money laundering and the ability to distinguish between genuine and questionable transactions are important skills for financial supervisors. Efforts to detect and punish money laundering may be hampered when technology that enables more advanced financial oversight is not available.¹¹

One of the big challenges in controlling the crime of money laundering in Indonesia is that cooperation between institutions is not yet optimal. There are several organizations working to combat money laundering, but not all of them communicate effectively with each other or coordinate their activities. Disagreements can arise when different institutions fail to communicate effectively with each other or when their agendas and methods differ.

The efficacy and efficiency of managing a money laundering situation may be negatively impacted if cooperation is less than ideal. Criminals may be able to evade capture if authorities are unable to share and collect critical information. The effectiveness of efforts to prevent and punish money laundering is reduced when prosecution and trial procedures are slowed due to lack of cooperation.

Stronger inter-agency collaboration is critical to addressing these challenges. To overcome this problem, people need to talk to each other more, share information more often, and form more formal forums for cooperation. Furthermore, multi-party training and the development of collaborative work rules between agencies will help everyone understand why it is so important to work together to avoid and enforce money laundering laws in Indonesia.

Increasing the system's ability to detect suspicious transaction patterns is needed to overcome the problem of identifying suspicious transactions. Suspicious financial transactions, such as large fund

¹¹ Andriawan, Dian. "Pengaturan Kejahatan Money Laundering (Pencucian Uang) di Beberapa Negara." *Jurnal Hukum Prioris Vol.1, No.1* (2006): 47-65

transfers, odd transactions, or expenditures that are disproportionate to the income received, must be detected in an efficient manner so that the crime of money laundering can be enforced. Unusual or suspicious transaction patterns can be detected with the use of data analysis and artificial intelligence technology. Additionally, banks and other payment processors need to work together closely in an effort to improve systems that detect suspicious transactions. Data and information related to questionable financial activities can be better detected and reported through this partnership. In addition, a more comprehensive and experience-based compilation of suspicious transaction indicators can help detect new and complex patterns often used by money launderers.

One possible way to address this problem is to increase the use of technology in systems that monitor financial transactions. Parties that have a high risk profile related to money laundering can be identified using risk analysis tools. Therefore, money laundering cases involving these businesses can be avoided more effectively by taking preventive measures.

The erosion of the financial supervision system, which allows illicit transactions to go unnoticed, is a major obstacle in the implementation of money laundering crimes. The only way to overcome this is to make the financial supervision system better and stronger. Stricter procedures should be implemented by financial authorities and regulatory bodies to monitor suspect financial activities. Law enforcement agencies can better intervene against illicit transactions if they use risk analysis technology and artificial intelligence techniques to detect questionable transaction patterns.¹²

Financial reporting rules also need to be more comprehensive and open. There needs to be stricter reporting requirements for companies and financial institutions when faced with unexpected or large transactions that could indicate money laundering. More thorough reporting can aid in the discovery of questionable transactions and the identification of individuals or entities that may be involved in money laundering. Therefore, it is essential to work closely with the business sector to guarantee reliable reporting.

In addition, it is important to improve the function of external auditors in ensuring compliance with anti-money laundering laws. Find questionable transactions is one way external auditors examine a company's financial records. When auditors find inconsistencies or signs of money laundering, they may advise the organization on how to fix them. It is believed that early detection of money laundering crimes can prevent negative impacts if external auditors take a more active role.

Increasing cooperation between authorities is an important step in overcoming challenges in prosecuting money laundering crimes in Indonesia. Financial services, legal, intelligence, and law enforcement are just a few of the many areas touched by money laundering. Therefore, synergy in case management and better information exchange can be achieved through strong interaction between related institutions. Necessary government entities, including police, prosecutors' offices, and financial institutions, all participate in this effort.

Many countries now have programs that allow citizens to report transactions they think are fraudulent to the authorities. To avoid retaliation, reporters' names are often withheld. The public can play an important role in assisting authorities in fighting money laundering by reporting suspicious activity.

Much of the responsibility for combating money laundering lies with the private sector, particularly the banking and financial industry. Recognizing and reporting questionable transactions is the job of banking, which is at the heart of money flow. They must follow international guidelines for

¹² Eka Kurniasari. Money Laundering: How it Becomes an International Threat (Response Against Money Laundering from the Side of Indonesia)." *Indonesian J. Int'l L. Vol. 1, No.1*, (2013): 190.

detecting money launderers and establish mechanisms for reporting suspicious transactions. In addition, private companies are required to take preventive measures internally, such as checking references and identifying clients who may be involved in money laundering through customer due diligence (CDD). In line with relevant laws, they are also required to notify the authorities of any questionable activity.

It is equally important for countries to work together more closely on a global scale. Cooperation in sharing information and coordinating investigations is essential because money laundering sometimes involves international activity. International conferences provide a platform for countries to exchange information, learn the latest methods used by money launderers, and work together to combat this threat. To combat money laundering more effectively, it is essential to increase collaboration between national and international institutions.

The main aim of measures to curb and regulate money laundering should be relevant regulations and policies. Maintaining a strong regulatory system and successfully combating money laundering requires continuous government renewal and strengthening. One of the efforts made is by creating a more precise and comprehensive definition of money laundering as a crime, which includes various types of transactions, assets and organizations that participate in the crime. Not only that, regulations also need to explain precisely the type of behavior what constitutes a suspicious transaction and how to report and handle it.

The banking industry and related businesses have a responsibility to report suspicious transactions to the appropriate authorities, and legislation should address this responsibility in addition to improving its definition. These regulations should provide incentives to the banking sector to build strong and effective monitoring systems to detect possible money laundering. There should be tougher and scarier penalties for those who launder money as part of regulatory changes. The goal of enforcing strict, transparent, and strict restrictions is to make potential money launderers feel intimidated and afraid, which should stop their schemes.

Technological advances and changes in money laundering patterns should also inform regulatory reform. As money launderers become smarter, policies must be flexible enough to accommodate the tactics and tools they use. Regulations must be adaptable enough to accommodate rapid environmental changes. For these efforts to successfully achieve their goal of fighting money laundering, it is critical to enlist the help of legal professionals, financial institutions, and other relevant industry players.

Conclusion

Based on the explanation above, the author concludes 3 (three) main points as follows:

1. The international community has made efforts to combat the dangers posed by money laundering operations throughout the world by regulating them in international legal instruments. The first step in creating a global framework for regulating money laundering was the UN Convention against Transnational Crime. After that, FATF comes next.
2. Enforcement Money laundering crimes in Indonesia are hampered by a weak financial supervision system. Inadequate oversight can allow questionable transactions to slip through the cracks, despite rules and regulations requiring financial institutions to disclose such activity. When the system is unable to detect subtle and complex transaction patterns that are indicators of money laundering, this vulnerability becomes more obvious. Another potential obstacle is the lack of expertise of financial supervisory officials in their field. The ability to differentiate between genuine and questionable transactions, as well as in-depth knowledge of various money laundering tactics and techniques, is essential for financial supervisors.

References

Book

- Arief, Barda Nawawi. *Kebijakan Hukum Pidana*. Bandung: Citra Aditya Bakti, (2002).
- Handayono, Hestu Cipto. *Hukum Tata Negara Indonesia Menuju Konsolidasi Sistem Demokrasi*, Jakarta: Universitas Atma Jaya, (2009).
- Ranawijaya, Usep. *Hukum Tata Negara Dasar-Dasarnya*, Jakarta: Ghalia Indonesia, 1983.
- Ridwan. *Hukum Administrasi Negara*, Jakarta: Rajawali Pers,(2014).
- Siahaan, N.H.T. *Pencucian Uang Dan Kejahatan Perbankan*, Jakarta: Pustaka Sinar Harapan, (2002).
- Stessens, Guy. *Money laundering: a new international law enforcement model*. Cambridge: Cambridge University Press, 2000.
- Soekanto, Soerjono dan Sri Mamudji. *Penelitian Hukum Normatif*, Jakarta: RajaGrafindo, (1994).
- Wiyono, *Pembahasan Undang-Undang Pencegahan Dan pemberantasan Tindak Pidana Pencucian Uang*, Jakarta: Sinar Grafika, Jakarta, (2014).

Journal

- Andriawan, Dian. "Pengaturan Kejahatan Money Laundering (Pencucian Uang) di Beberapa Negara." *Jurnal Hukum Prioris Vol.1, No.1* (2006): 47-65.
- Harahap, Herlina Hanum. "Pencegahan Dan Pemberantasan Tindak Pidana Pencucian Uang." *Amaliah: Jurnal Pengabdian Kepada Masyarakat Vol.4, No.2*, (2020): 186-190.
- Hamdani, Acep Roni, and Sarah Anida Putri. "Analisis Peran Hukum Internasional Dalam Menanggulangi Kejahatan Transnasional: Fokus Pada Kerjasama Regional." *Arbitrase: Jurnal Ilmiah Ilmu Hukum* 1.01 (2024): 5-9.
- Kurniasari, Eka. Money Laundering: How it Becomes an International Threat (Response Against Money Laundering from the Side of Indonesia)." *Indonesian J. Int'l L. Vol. 1, No.1*, (2013): 190.
- Nuryanto, Ahmad Dwi. "Problem Penyidikan Tindak Pidana Pencucian Uang Yang Berasal Dari Predicate Crime Perbankan." *Bestuur Vol.7, No.1*, (2019): 54-65.
- Oktahandika, Ronny. "Pembuktian Kejahatan Asal (Predicate Crime) Tindak Pidana Pencucian Uang Pada Pelaku Pasif." *Jurnal Legal Reasoning Vol.1,No.2*,(2019): 156-171.
- Pereverzyeva, Olga, and Vasif Gadjeiev. Features of legal nature Financial Action Task Force on Money Laundering FATF. *Law Rev. Kyiv UL* (2020): 370.
- Waluyo, Edi. "Upaya Memerangi Tindakan Pencucian Uang (Money Laundering) di Indonesia." *Jurnal Dinamika Hukum Vol. 9, No.3*, (2009): 275-284.
- Wahyuningsih, Sri Endah, and Rismanto Rismanto. "Kebijakan Penegakan Hukum Pidana Terhadap Penanggulangan Money Laundering Dalam Rangka Pembaharuan Hukum Pidana Di Indonesia." *Jurnal Pembaharuan Hukum* 2.1 (2016): 46-56.

Scriptio/Thesis

- Haryadi, W. "Kedudukan Hukum Pidana Terhadap Tindak Pidana Pencucian Uang Dihubungkan Dengan Undang-Undang Nomor 8 Tahun (2010) Tentang Pencegahan Dan Pemberantasan Tindak Pidana Pencucian Uang". *Thesis*. Bandung: Universitas Pasundan, (2013).

Nur, Islamia Dewandani. *Analisis Trade Transparency Unit dalam Mengatasi Trade Based Money Laundering di Amerika Serikat Tahun (2004-2016)*. Diss. Faculty of Social and Political Science, 2018.

Internet Manuscript

United Nations Office on Drugs and Crime. (n.d.). *United Nations Convention against Transnational Organized Crime*. <https://www.unodc.org/unodc/en/organized-crime/intro/UNTOC.html>. Diakses 15 Februari (2024).

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).