

THE ROLE OF INTERNATIONAL COOPERATION IN THE ERADICATION OF MONEY LAUNDERING IN INDONESIA

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Abstract : This research focused on the role of international cooperation in efforts to return to asset of money laundering resulting from corruption in Indonesia. Money laundering is an attempt to hide or disguise the origin of money or assets resulting from criminal acts through various financial transactions so that the money or assets appear as if they came from legal activities. Money laundering as one of the transnational organized crimes often constrained by the legal system in force in the country where money laundering occurs. Besides being difficult to track down the perpetrators, money from the proceeds of the crime is difficult to return to the country of origin of the crime. This article seeks to explain some of the roles that international cooperation in regulating various facilities to help each other in handling money laundering cases resulting from international crimes. This study uses a literature study method, where the author collects information relevant to the topic that is the object of research. The results of the study indicate that there are still several obstacles in implementing to return the asset of money laundering because the problem lies in seriousness of law enforcement in eradicating money laundering in Indonesia. With seriousness in law enforcement, corruption cases can be eradicated, and asset recovery can be returned to the state which is in dire need of funds for development for the welfare of the people as mandated by the 1945 Constitution.

Keywords : Money laundering, Transnational Crime, Corruption, Asset Recovery

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INTRODUCTION

As a crime, money laundering never stands alone. The act of disguising illicit money is confirmed to be a continuation of the predicate crime, hence the term no crime, no money laundering. One of the original crimes of money laundering which is becoming an issue of global crimes against humanity is corruption. Money laundering is currently the easiest alternative for corruptors to save state assets that they have stolen from the state. Whereas in every country the rules of legal sanctions against money laundering perpetrators are very heavy.

In Indonesia, the state has established a form of punishment for money laundering perpetrators or Money Laundering Crimes (Tindak Pidana Pencucian Uang / TPPU) which is regulated in Articles 3-10 of Law (UU) Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering. The punishment includes a maximum fine of Rp100,000,000,000.00 (one hundred billion rupiah) as well as additional penalties, namely announcement of judge's decision, suspension of part or all the corporation's business activities, revocation of business license, dissolution and/or prohibition of the corporation, confiscation of the corporation's assets for the state, and the takeover of the corporation by the state.

Not only the perpetrators but those who helped can also be charged with this law. Article 10 of Law No. 8. 2010 states that any person within or outside the territory of the Unitary State of the Republic of Indonesia who participates in conducting trials, assistance, or conspiracy to commit the crime of money laundering shall be subject to the same punishment as referred to in Article 3, Article 4 and Article 5. In these articles, the perpetrator may be subject to a fine of IDR 5 billion to IDR 100 billion, respectively. UU on the Prevention and Eradication of the Crime of Money Laundering has been enacted since October 22, 2010. Law (UU) no. 8 of 2010 consists of 100 articles. Law Number 8 of 2010 through Article 1 number 1 specifically defines the act of money laundering or money laundering. Money laundering is any act that fulfills the elements of a criminal act by the provisions of this Law. (Ahmad Yani, 2013)

Although the law is very clearly regulated and the sanctions and penalties are severe, money laundering is increasingly difficult to eradicate, especially with technological advances that make money laundering continue to transform rapidly, various modus operandi is carried out to deceive law enforcement officers. With just one click via a mobile phone, there is no need to carry cash when travelling abroad to anticipate the prohibition of carrying cash conspicuously because you must deal with customs officials. Article 34 paragraph (1) of the Anti-Money Laundering Law, reads, "Everyone who carries cash in rupiah and/or foreign currencies, and/or other payment instruments in the form of checks, traveler's checks, promissory notes, or billet at least Rp100,000,000.00 (one hundred million rupiah) or its equivalent value into or out of the Indonesian customs area is obligated to notify it".

That is why in carrying out money laundering actions, perpetrators of criminal acts of corruption usually spread the proceeds of their crimes to various account numbers on behalf of other people and transfer assets resulting from looting the

state into forms such as insurance, investments, and others on behalf of other people who are abroad in the country.. What's more, not a few countries impose tax asylum or tax havens where they don't question where the funds that come in as investments come from, in other words, regardless of where the investors' money comes from, including the proceeds of crimes such as corruption.

As a type of organized transnational crime, in its handling, money laundering is often constrained by the legal system in force in the country where money laundering occurs. Besides being difficult to track down the perpetrators, money from the proceeds of the crime is difficult to return to the country of origin of the crime. Money laundering or money laundering is one type of crime from organized crime which is a follow-up crime from other types of crime, one of which is corruption. The handling of corruption cases in Indonesia has so far been more likely to prioritize the punishment of perpetrators of criminal acts of corruption rather than the return of state assets (W Setiadi 2018).

In Indonesia, state losses due to corruption with replacement money are very striking. Money instead of corruption is only 2,2% of state losses.(ICW:2021) In ICW's records throughout 2021, the country's return on assets from the proceeds of corruptors is still very, very minimal. The number of state losses due to corruption involving 1,404 defendants reached IDR 62.9 trillion. However, the amount of restitution for state losses that the panel of judges sentenced to the accused perpetrators of corruption to pay replacement money was only around 2.2 percent or the equivalent of IDR 1.4 trillion. According to ICW's observations, the low rate of return on state losses is due to law enforcement on corruption cases as long as it shows the absence of an asset recovery perspective as stipulated in the TPPU Law.

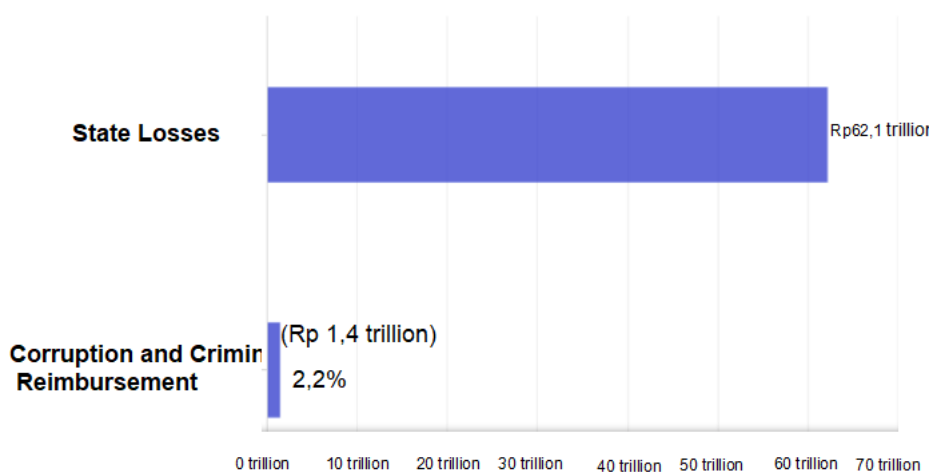


Figure 1. Comparison of State Losses Due to Corruption and Criminal Reimbursement
Data Source: ICW 2021

The lightness of the obligation to recover state losses is even more ironic because even though the perpetrators have been tried in Indonesia, a lot of money from corruption crimes has gone abroad through the money laundering process so the state is still at a loss.

Indonesia, like other countries in the world in general, continues to suffer losses due to the greed of corruptors who continue to carry out various deceptions in stealing state money. As reported by ICW, the trend of state losses due to corruption has continued to increase in the last five years. Of the 533 corruption cases involving law enforcement officers (APH), the total state losses incurred reached 29.4 trillion (ICW:2022).



Figure 2

Trend of Case Action And Potential State Losses Due to Corruption (2017-2021)

Indonesia is even labelled as the most corrupt country in the Asia. As released in a report entitled 'Global Corruption Barometer-Asia' released by the global corruption index monitoring agency, Transparency International, Indonesia is the third most corrupt country in Asia in 2020. India occupies the first and second positions while Cambodia occupies the second position. This is indicated by the poor handling and eradication of corruption cases. Indonesia Corruption Watch (ICW) records state that 1,282 corruption cases were tried, with a total number of 1,404 defendants throughout 2021. This figure represents the number of cases heard at all court levels, including at the Judicial Review (PK) level. A total of 1,403 defendants who were tried throughout 2021, only 12 people were charged with the Money Laundering Crime (TPPU) article while the other defendants were charged with the state finance article or the bribery article. With the low number of defendants charged with the ML article

according to ICW, law enforcement officers have proven not to be optimal in using the approach of confiscating state assets resulting from corruption crimes. ICW considers prison sentences to be ineffective if they do not touch the recovery of state assets, one of which is by applying the TPPU Law..

As released by Transparency International Indonesia in January 2021, Indonesia's Corruption Perception Index (CPI) ranks 98 out of 180 countries in the world. Indonesia has a score of 38, which is still below the global average score of 43. According to the independent agency, Indonesia is number two after Thailand as the most corrupt country in South-east Asia. As quoted from the official website of the Corruption Eradication Commission, Transparency International Indonesia (TII), in the previous year, recorded people's money in the practice of the APBN and APBD, which evaporated by about 30-40 percent due to corruption. Corruption crime practices occur 70 percent in the procurement of goods and services by the government. (ACLC KPK, 2020).

State Financial Losses Due to Corruption According to ICW (2017-2021)

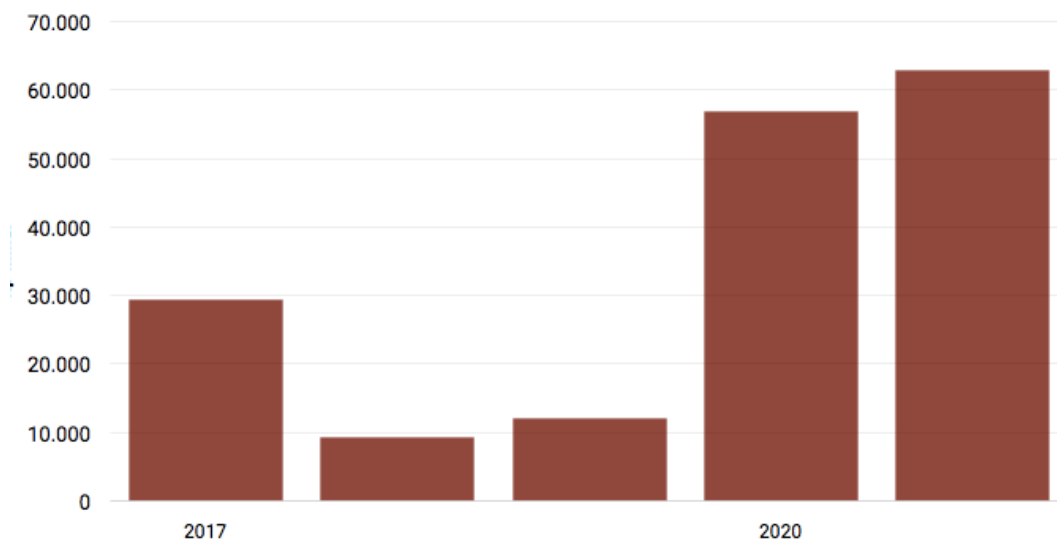


Figure 3

The potential value of state losses due to Corruption Cases based on ICW Corruption Verdict Trends 2021

Resource : ICW

From the graph published by ICW above, it can be seen that the potential value of state losses due to corruption cases based on the trend of ICW's corruption convictions between 2017 and 2021 has continued to increase, indeed it has experienced a decline in 2018 and 2019. However, from 2020 to 2021 there has been a very large spike. significant. It was noted that the potential value of state losses due to corruption cases based on the trend of corruption verdicts in 2017

amounted to IDR 29,419 billion, 2018 decreased to IDR 9,290 billion and increased to IDR 12 billion in 2019 then experienced a drastic jump in 2020 to IDR 56,289 billion and continues increase until 2021, reaching IDR 62 billion.

The practice of corruption continues to grow, along with the notion of corruption itself which also continues to grow to this day. However, Robert Klitgaard views corruption, which is more typical for public officials or state officials, as an act of using office to "obtain" personal gain. According to Robert Klitgaard, historically the concept he put forward refers to political behavior. According to him, the word corruption creates a series of evil images (Hafidz, 2015: 4). The word means anything that destroys wholeness. A relevant theory because the widespread practice of corruption can worsen the nation's economic condition.

As quoted from the official website of the KPK Anti-Corruption Education Center, Corruption, in general, can result in high prices for good-faith poor quality, people's access to education and health becomes difficult, a country's security is threatened, environmental damage, and a bad image of the government in the eyes of the international community. Thus, destabilizing the foundations of confidence in the owners of foreign capital, a prolonged economic crisis, and the country becoming increasingly mired in poverty.

As a white-collar crime, corruption has harmed the foundations of democracy, not only in Indonesia and developing countries and even in developed countries. Because it is a transnational crime that does not only affect one country, but that is also why the international commitment is needed to jointly fight money laundering, this is marked by the existence of various international cooperation ranging from multilateral, regional to bilateral. The topic of research regarding the role of international cooperation in handling money laundering cases as an effort to return state assets that have been stolen by corruptors is significant because this transnational crime continues to grow rapidly in line with technological advances, especially in the field of financial technology in the era of globalization.

Law enforcement against corruption cases is often difficult because the perpetrators run away and transfer assets resulting from corruption to other countries. (Romli Atmasasmita; 2005) Corruption which was originally national has developed into a transnational crime. So international cooperation is needed, especially to return corruption to the state treasury. Romli Atmasasmita, et al in his book entitled *Analysis & Evaluation of Corruption Investigation & Investigation Law-BPHN* (2005, p. 49) states that basically, the existence of transnational crime is a negative effect of the era of globalization. Criminal offenders from one country will easily take advantage of technological progress and sophistication to divert money from corruption outside the jurisdiction of the Indonesian state.

Thus, the researcher is of the view that this research is important because it considers corruption now not only in the national scope but also at the international level. So that a comprehensive study is needed about the role of various international cooperation agreements in saving asset recovery of state

money resulting from the corruption that has been disguised through the Money Laundering Crime (TPPU).

As for academic contributions, this research is intended to confirm the theory of transnational crime as stated in the theory of John R. Wagley in his book *Transnational Organized Crime: Principal Threats and U.S. Responses*, Congressional Research Service, The Library of Congress, 2006 explains that conceptually, transnational crime means a crime or crime that crosses national borders. Money laundering as a further criminal process of corruption has involved perpetrators from more than one country, crossing national borders because the perpetrators channelled illicit money from the proceeds of their corruption crimes to other countries. This is relevant to the concept of asset recovery or also known as Return on Assets (ROA) which was put forward by Mathew Fleming in his book entitled *Asset Recovery and its Impact on Criminal Behavior* (2005) regarding asset recovery is the process of criminal actors being revoked, confiscated, deprived of their rights from the proceeds of a crime.

In conducting this research, the authors identified 5 problems, including the trend of corruption cases in Indonesia continues to increase from year to year so the state losses incurred are also increasing. Law enforcement is still low so that perpetrators of corruption can easily escape while escaping assets resulting from corruption abroad through money laundering. The rate of return on state losses Return on Assets (ROA) or Asset Recovery of money corrupted by corruptors is still very low. As a follow-up crime from other crimes, money laundering has become a transnational crime that continues to increase globally. Advances in financial technology make money laundering categorized as a financial crime that is growing rapidly and becomes a problem for all nations. Global cooperation in handling money laundering cases has not been an effective solution in restoring state losses or asset recovery.

However, the author will only focus on discussing international cooperation in handling money laundering cases that are associated with the return of state losses on return on assets because there is still a low rate of return on state money resulting from corruption in Indonesia so that even though the perpetrators have been sentenced to prison, the state is still at a disadvantage. Half-stepping law enforcement only punishes the perpetrators but does not optimally restore state losses that have already been transferred to other countries through money laundering.

Although there is a lot of international cooperation in handling money laundering cases, especially those originating from corruption, the problems related to the pursuit of the perpetrators and their assets are still difficult to resolve. The absence of an extradition treaty and mutual legal assistance (MLA) is often considered to be the main cause of the failed pursuit of the perpetrators and their assets abroad. apart from the two agreements, various multilateral and regional cooperation agreements in handling money laundering cases have been agreed upon and even ratified.

On the other hand, even though there are extradition agreements and MLA with certain countries, money laundering proceeds from the crime of corruption are

still difficult to eradicate, at least suppressed so that Return on Assets (ROA) can be carried out and asset recovery or asset recovery to the state treasury can be made. optimally improved compared to the present. Many perpetrators of corruption fled and took away the assets they got from this immoral behavior through money laundering abroad. The complexity of the issue of money laundering cases as an organized transnational crime raises research questions to what extent international cooperation can handle cases of money laundering resulting from corruption so that state losses can be reduced.

The purpose of this study is to identify why the crime of money laundering resulting from corruption which was originally only a problem in a developing country has become a global problem. Analyzing the effectiveness of various forms of cooperation ranging from bilateral, regional, and multilateral in dealing with money laundering cases, and aims to contribute ideas to the world of research, especially for International Relations (IR) practitioners.

LITERATURE REVIEW

Transnational Crime

Crimes that cross the borders of a country are known as transnational crimes, while transnational crimes within the multilateral scope are called Transnational Organized Crime (TOC). This concept was first introduced internationally in the era of the 1990s at a United Nations meeting that discussed the prevention of transnational crime. Crime is a violation of law that involves more than one country in its planning, implementation, or impact. This offense is distinguished from other crimes in its multinational nature, which poses unique problems in understanding its causes, developing prevention strategies, and promoting effective adjudication procedures. 5 The scope of transnational crime certainly involves between countries, not just two countries. That is why international crimes are solved by using the approach of international legal sources. Nothing facilitates the emergence of transnational crime, but three main factors facilitate, among others, namely: (a) Globalization of the economy; (b) The increasing number of immigrant heterogeneity (c) The rapid development of communication technology. (Zulkarnain-Irma Indrayani 2019)

John R. Wagley in his book *Transnational Organized Crime: Principal Threats and U.S. Responses*, Congressional Research Service, The Library of Congress, 2006 explains that conceptually, transnational crime means a crime or crime that crosses national borders. This concept was first introduced internationally in the era of the 1990s in The Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders. Previously, the term that had developed earlier was organized crime.

Even Wagley stated that previously there was no single accepted definition of transnational organized crime. In 1994, researchers defined "transnational crime" to include offenses whose initiation, prevention, and/or direct or indirect effects involved more than one country. In the book published in 2006, Wagley stated that he believes transnational organized crime networks vary greatly in

structure, strength, size, geographical reach, and the scope and diversity of their operations (John R. Wagley: 2006).

Examples of organize crimes include money laundering, drug smuggling, illegal business, human trafficking, and others.

Money Laundering

Money laundering or in Indonesia also known as the crime of money laundering (TPPU) according to the opinion expressed by Sutan Remy Syahrani is a series of activities that are processes carried out by a person or organization against illicit money, namely money originating from crime, with the intent to hide data and disguise the origin of the money from the government or the competent authority to take action by inserting money into the financial system, either by utilizing a bank or non-bank services. These institutions include the stock exchange, insurance, and foreign exchange trading so that the money can be removed from the financial system as halal money (Sultan Remi Syahrani, 2004).

In simple terms, money laundering is a transnational crime practice in the form of laundering hot or dirty money (dirty money). To clean up the money is placed (placement) in a bank or a certain place for a while before finally being transferred to another place (layering), for example through the purchase of shares in the capital market, foreign exchange transfers, or the purchase of an asset. Money laundering is generally defined as a process carried out to change the proceeds of crime such as the proceeds of corruption, crime, narcotics, gambling, smuggling, and other serious crimes so that the proceeds of the crime appear to be the result of legitimate activities because their origins have been disguised or hidden.

Return on Asset (ROA) or Asset Recovery Concept

Return on assets Asset Recovery or also known as Return on Assets (ROA) is defined as the return of profits to the community as the party most entitled to state finances. There are three important things according to Mathew Fleming in interpreting asset recovery, namely, first, returning assets means removing assets from the hands of actors who do not have rights. Second, seizing and eliminating the proceeds of crime. Third, confiscation, disappearance, and revocation are carried out so that assets cannot be used to commit other crimes (Mahmud, 2020). However, according to Mathew Fleming, in the international world, there is no agreed uniform understanding of asset return. (Yanuar, 2015: 102).

The three theories above, namely transnational crime, money laundering, and the conception of asset recovery, we use to study the topic of this research. With consideration because it is most relevant in seeing how corruption and money laundering are transnational crimes. A transnational crime that continues to grow rapidly requires global handling, namely through the establishment of international cooperation that leads to the goal of returning assets that have been transferred to other countries.

International Cooperation

Since the beginning, the study of international relations is a process of observing phenomena caused by the interaction of international politics that creates cooperation. Cooperation is formed as a result of the art of communication from the behavior of the actors involved in responding or providing choices that can be made by the actors in responding to the choices of other actors. International cooperation is a collaborative relationship between entities to work towards a common goal through a mutually agreed division of labor. At the country level, this means engaging under government leadership with national stakeholders and external partners including international development agencies in developing, implementing and monitoring the country's own development strategy. International cooperation aimed at improving the way developing countries manage their disaster risks is critical to human development and progress, because nothing undermines sustainable development like disasters.

International cooperation is general in terms of both actors and issues. Cooperation occurs not only among individuals but also among collective entities, including corporations, political parties, ethnic organizations, terrorist groups, and nation-states. International cooperation can also involve other actors, especially intergovernmental organizations (IGOs) and non-governmental organizations (NGOs). These various actors work together for different purposes in different problem areas, such as intergovernmental organizations working with countries to combat global environmental problems, companies colluding to monopolize markets, NGOs campaigning to save whales, and so on. Finally, international cooperation is not always a good thing, at least from the perspective of those who are excluded or targeted. For example, international sanctions involve co-operation against target countries (Martin, 1992; Drezner, 1999), and commodity cartels often harm consumer countries. (Dai, X., Snidal, D., & Sampson, M. 2017).

In conducting the study of research topics, researchers have conducted various literature studies to enrich the research results. Among them are the interesting findings of an article entitled Corruption and Anti-Money-Laundering Systems: Putting a Luxury Good to Work which is a research work from J.C. Sharman and David Chaikin. The two researchers argue that corrupt behavior covers a much broader range of actions than money laundering, and thus is less acceptable with a simple definition. Sharman and David conclude that there is something incongruous about policies that are inevitable in developing countries because of the atrocities of corruption in touching the capital invested in eradicating corruption through the Anti Money Laundering (AML) system.

This is an almost ironic policy discrepancy in developing countries. Many countries suffer greatly from corruption but fail to capitalize on the investments they have made in Anti-Money Laundering systems that can help eradicate corruption. Whereas financial intelligence and provisions for confiscation of assets have great use in following the trail of money in money laundering cases, especially in cases of corruption (Sharman, J. C., Chaikin, D. 2009). However, Sharman and Chaikin did not discuss the specifics about the role of international

treaties.

The next literature is the findings of Rina Amelia Haryadi, et al, which were published in 202. The results of the study with the title Diplomacy from Indonesia to Serbia in the Extradition of Maria Pauline Lumowa in 2019-2020. From this article, without an extradition treaty with Serbia, the Indonesian government can extradite Maria Pauline Lumowa. His writing focuses more on the diplomatic efforts of the perpetrators of the Rp1.7 trillion BNI burglary that occurred in 2002. According to Rina, et al., diplomacy has become an important force in pursuing corruptors who have fled or fled their assets resulting from corruption abroad. The success of law enforcement officials in bringing Maria Paulina Lumowa home after 17 years on the run in Serbia proves that, if we are serious about the bilateral agreement in the form of extradition and MLA, Indonesian law enforcement officers can pursue corruptors who have fled abroad. The success of this diplomacy cannot be separated from the role of the 2003 UNCAC international convention which contains a commitment that every country must have good intentions to support each other in eradicating corruption crimes that harm the country.

Maria Pauline Lumowa was the perpetrator of the Rp1.7 trillion BNI burglary that occurred in 2002. Pauline acted by applying for a loan on behalf of PT Gramarindo to get a loan from BNI using a fake Letter of Credit (L/C). When she was about to be named a suspect in 2003, Maria fled to Singapore and failed to be extradited, and then settled in the Netherlands. At that time, the arrest of Maria Pauline Lumowa was in the spotlight and was assessed by various groups including legal observers as an effort to divert the issue of the E-KTP case involving Djoko Chandra which was under intense scrutiny because law enforcement officials were considered negligent in the case.

The third piece of literature is a journal entitled International Agreements in Returning Assets Proceeds from Corruption in Indonesia, which is research by Jamin Ginting. The author thinks that international agreements are an important requirement in efforts to make an effective return of assets resulting from corruption brought abroad. Mutual Legal Assistant (MLA) and Extradition are forms of international agreements that are more often used in various countries based on an understanding of the return of assets. Not only these provisions but there are several international provisions such as the United Nations Conventions Against Corruption (UNCAC 2003) that need to be adopted in the existing legislation in Indonesia to make asset recovery effective.

According to Ginting, the government needs to increase international agreements through MLA and extradition with countries where the assets are to be placed to make the return of assets resulting from corruption more effective. Making regulations that support the implementation of MLA and extradition such as ratifying the draft law on asset seizure which regulates the custody, management, and return of assets. Establishing an independent institution or body that carries out the task of managing and returning confiscated goods and confiscations of criminal acts of corruption that has the authority to receive and store confiscated goods, not only objects but money in accounts, manage the

money or assets, and return them to the state or victims of criminal acts. This institution or agency must be independent and directly accountable to the president and carry out duties as the Central Authority. Indeed, Jamin Ginting's article entitled International Cooperation Agreements in Returning Assets Proceeds from Corruption in Indonesia is the closest article to what was studied by the researcher. However, Ginting only focuses on the United Nations Convention Against Corruption (UNCAC) as a 2003 UN convention.

From the existing studies, according to the author's view, there is still a research gap between previous studies that have not specifically discussed multilateral, regional, and bilateral approaches in handling cases of money laundering illicit money resulting from corruption.

Conceptual Framework

Starting from a national crime with national law enforcement regulations, corruption has developed into an organized transnational crime. The existence of the practice of money laundering from and spreading into transnational crimes has made transnational crimes a common enemy of the global world. To handle it takes collaboration and commitment together.

The eradication of money laundering as a type of transnational organized crime has become a contemporary issue in the discussion of the study of International Relations. Several cooperation agreements have been initiated through multilateral, regional, and bilateral cooperation approaches. The global community fights money laundering through various organizations such as the signing of the UNCAC in 2003. The United Nations, World Bank, and International Monetary Fund also have anti-money laundering divisions. Likewise, the Financial Action Task Force (FATF) was born. In addition, there are many regional ASEAN and bilateral organizations that are actively trying to combat money laundering. Even though the recovery of assets is difficult for the perpetrators of money laundering crimes, the efforts made by law enforcement continue to be carried out.

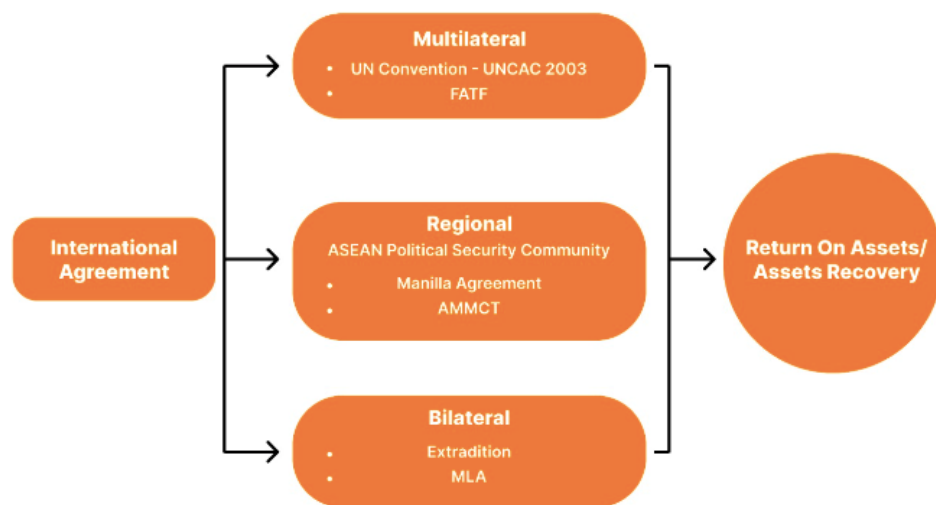


Figure 4 :
International Cooperation Agreement
in Handling Cases of Money Laundering Proceeds of Corruption in
Indonesia

METHODS

The research approach used by the author in this study is to use a qualitative-descriptive research approach. That is the type of research used to explain a phenomenon or social reality. Qualitative research itself is descriptive research and focuses on analysis. According to Lisa Harrison and Theresa Callan: The generally accepted view of qualitative research is that it is based on an interpretive (and natural) approach, and tries to understand why people see actions, values, and beliefs, and decisions, as they did themselves. The research techniques used in qualitative research include interviews, focus group discussions (FGD), observation, documentary analysis, and case studies. Substantively qualitative research: includes research and collection of various kinds of empirical material such as case studies, personal experiences, introspective, life stories, interviews, and observational, historical, interactional, and visual texts that describe events significant routine and problematic events in an individual's life.

Qualitative research has been known since the 1960s and is often called an alternative method. According to the author, this method is appropriate because it can start with angel takers from the public first and then become more detailed and focused. The purpose of qualitative research, according to Kriyantono, is to explain a phenomenon in an in-depth way by collecting the deepest data to show the importance of the depth and detail of the data being studied (Rahmat Kriyantono, 2015)

The author uses this theory as a guide in focusing research based on facts in the field through collecting data from various sources which are then presented in a

logical and simple description because this method emphasizes the process and meaning. With this method, the author can explore more in obtaining data from various valid and credible sources. The researcher uses the Literature Review research method or literature review. Literature review, literature research is research that examines or critically reviews knowledge, ideas, or findings contained in the body of academic-oriented literature and formulates theoretical and methodological contributions to certain topics.

In preparing the research, the author uses secondary data, namely data obtained from documentation materials and other related written materials from journals, books, articles, and other reading materials related to international agreements related to money laundering crimes as further criminal acts of corruption cases.

Data Collection

In compiling this study, researchers conducted library research to collect 'data collection' data from secondary sources. The secondary data used are data obtained from documentation materials and other related written materials originating from journals, books, articles and other reading materials concerning international agreements related to money laundering crimes as a follow-up crime of corruption case. The usefulness of data (after being processed and analyzed) is as an objective basis in the process of making decisions/policies in order to solve problems by decision makers (Situmorang, 2010). Qualitative research is carried out with in-depth research and involves various sources of information, doctors, and case themes. (John Creswell, 2013) We collect data, among others, by reviewing theories, literature reviews that already exist, both in the form of scientific journals, books, presentation materials in scientific forums such as online seminars with expert speakers in their fields. Such as the webinar themed 'Transnational Crime; Money Launderin'g organized by the International Relations Study Program, FISIP National University in April 2022. In addition, the authors also collect data from relevant ministries/institutions as the Indonesian government authorities tasked with handling money laundering cases, especially those originating from corruption crimes such as the Corruption Eradication Commission (KPK) and NGOs that are concerned in criticizing corruption cases in Indonesia such as Transparency International Indonesia (TII) Indonesia Corruption Watch (ICW).

Researchers also conducted a study of state documents, especially Law no. 8 of 2010 concerning Money Laundering, in particular the article related to the authority given by this Law to Law Enforcement Officials (APH) to carry out international cooperation in the process of returning assets resulting from corruption crimes transferred abroad through the money laundering process. The 2003 UNCAC convention document which has been signed and ratified by a number of countries including Indonesia as the legal umbrella for international cooperation in the pursuit of perpetrators and the return on assets of return on assets from the proceeds of money laundering crimes is important data to be traced. The data and information presented through trusted news portals in the

digital era as it is today also do not escape the author's study as an effort to enrich research material.

RESULT AND DISCUSSION

Multilateral Cooperation in handling money laundering cases resulting from the corruption

Observing the complexity of money laundering cases which are growing rapidly, especially with the support of modern technological developments in the era of globalization, each country must cooperate with other countries. The cooperation carried out by Indonesia and other countries are motivated by a common view and goal that money laundering is a crime that involves cross-borders that do not only affect one country but two or more countries. (Tiarma Deborah; 2018) To deal with this, various initiatives have arisen due to transnational organized crime, among others, which will be explained in this sub-chapter. First, it will begin with a discussion of cooperation between these countries, namely agreements at the international level, namely the UN Convention Against Corruption (UNCAC) 2003. UNCAC 2003 As an International Convention seeks to regulate the mechanism for returning assets resulting from corruption crimes that spread to Money Laundering. Money laundering is a transnational crime. To overcome the crime of money laundering, the United Nations agreed to issue the United Nations Conventions Against Illegal Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Drug Convention 1988). along with the development of this crime of money laundering, ratification occurred at the 1988 Vienna Drug Convention which later gave birth to the UN United Nations Convention against Corruption (UNCAC) on October 31, 2002.

In addition to UNCAC, to regulate this international cooperative relationship, FTAF (The Financial Action Task Force) was established. FATF (Financial Action Task Force), through Bilateral Agreements in handling cases of money laundering proceeds of corruption such as signing extradition cooperation and mutual assistance system cooperation in criminal matters Mutual Legal Assistance or commonly abbreviated as MLA. Meanwhile, at the Regional level, namely ASEAN, ASEAN Political-security Community cooperation is established which is funded by the establishment of forums and agreements such as APG (The Asia / Pacific Group on Money Laundering). As stated by ASEAN cooperation in tackling transnational crime is directed through the exchange of information, law enforcement, and the development of human resource training programs. (; Tuti Nurhati: 2018) Efforts made in this international collaboration are carried out by providing information about the existence of suspected assets in other countries by making agreements in the form of Memorandums of Understanding (Mou), Multi Legal Assistance (MLA), and Extradition. (Indra, P. Anak Agung Gde; 2007).

UN Convention - UNCAC 2003,

Before 1986, money laundering was not a crime. In the 1980s, millions of proceeds from crimes went into the legal and economic business (corruption). The collective agreement that money laundering is a crime was established by the United Nations at the Vienna convention on December 19, 1988, and was established on November 11, 1990, however, it was only in 1997 that 136 countries ratified it and 13 countries did not agree to ratify it. Because money laundering is often a follow-up crime from corruption cases.

This effort to tackle global corruption then continued with the signing of the United Nations convention in 2003 against corruption through the United Nations Convention against Corruption (UNCAC). The birth of UNCAC was accepted by the UN General Assembly on 31 October 2002 through UN High School Resolution A/58/4. To date, of the 140 countries that have signed it, 107 of them have submitted themselves as countries marked by ratification. The convention which came into force on December 14, 2005, is The First Legally Binding Global Anti-Corruption Agreement, which is a legally binding agreement on Anti-Corruption.

UNCAC is a commitment that every country supports each other, especially in efforts to recover assets that are the results of corruption crimes that have been carried out by money laundering. Returning state loss assets is one of several important objectives behind the emergence of the UNCAC cooperation agreement pioneered by the United Nations in 2003. For several other objectives, namely, to promote and strengthen measures to prevent and eradicate corruption more efficiently and effectively. Promote, facilitate and support international cooperation and technical assistance in the prevention and eradication of corruption. Promote integrity, accountability, and proper management of public affairs and public property. As stipulated in the UNCAC, the asset recovery stage consists of (1) identification and tracing, (2) legal proceedings, and (3) asset confiscation. However, the method of tracking assets cannot be implemented optimally, as well as the application of Mutual Legal Assistance (MLA) which is often not optimal because the process is long, the response is slow, the success rate is low, coordination is weak, the reputation for secrecy is determined by the bank where the results of money laundering are stored, the delay is bid processes and substandard auction pricing and other issues. (Sukardi; 2020).

As corruption is increasingly transnational and often involves the use of shell companies and other opaque corporate vehicles, jurisdictions are therefore required to mandate public disclosure of the ultimate owners of all legal entities to avoid safe havens that can be abused for corruption. Indonesia is the 57th country to sign UNCAC on 18 December 2003 by ratifying it through Law No. 7 of 2006 concerning the Ratification of the United Nations UNCAC on 18 April 2006.

FATF (Financial Action Task Force)

The Financial Action Task Force (FATF) is an intergovernmental body created at the 1989 G7 Meeting in Paris by Ministers in its member jurisdictions. The FATF aims to set standards and promote the effective implementation of legal, regulatory, and operational measures to combat money laundering, terrorist financing, and other related threats to the integrity of the international financial system. At the beginning of its formation, FATF only had 16 members and continued to grow until in March 2019 there were 38 members.

The establishment FATF (Financial Action Task Force) is an institution that provides international standards in matters of the Financial System. FATF has the function of developing and disseminating policies to eradicate money laundering and processing assets/assets from criminal acts in concealing their illegal origins. The International Financial Institutions Anti-Corruption Task Force consists of the World Bank, International Monetary Fund, African Development Bank, Asian Development Bank (ADB), European Investment Bank, and European Bank for Reconstruction and Development. The agencies jointly released a uniform framework for preventing and combating fraud and corruption on September 17, 2006.

Indonesia is one of the countries included in one country that are members of the FATF. However, since June 2001, Indonesia has been included on the blacklist, which is categorized as a Non-Cooperative Countries and Territories (NCCT). Indonesia only legalized the issue of Money Laundering on April 17, 2002. Currently, Indonesia has only become a member of the Asia/Pacific Group on Money Laundering (APG), which is one of the FATF-Style Regional Bodies (FRBs). As for the FATF, Indonesia is still an observer and is seeking Indonesia's full membership in the FATF. Indonesia's membership in the FATF is driven by the fact that Indonesia is a G20 member country that is not yet a member of the FATF, as well as to benefit from being a member of the FATF. Currently, Indonesia is the only country in the G20 that is not a permanent member of the FATF. This is an important matter for Indonesia, which has major economic power in the world. By participating in the FATF membership, Indonesia can participate and even further contribute to the process of making strategic policies that can determine the international financial system.

Indonesia's full membership efforts to become a permanent member of the Financial Action Task Force (FATF) or a global anti-money laundering organization started in 2016. FATF, the implementation of a High-Level Visit between the FATF President and the Heads of the relevant Ministries/Institutions, to the determination of Indonesia's status as an observer in the FATF Plenary on 29 June 2018. Indonesia only obtained the status of a FATF observer country in June 2019 but has not yet become a full member. The process of Indonesia's membership in the FATF is still ongoing, namely through Indonesia's success in the Mutual Evaluation Review (MER) of Indonesia by the FATF from 2019 to 2020 (OJK, 2019).

On July 19, 2022, the Mutual Evaluation Review (MER) Assessor Team conducted a direct site vision in Indonesia. The assessment team which is

representative of 9 countries provides an assessment according to Indonesia's request to become a permanent member or become a full member of the Financial Action Task Force (FATF). Indonesia's compliance in implementing anti-money laundering and terrorism financing provisions on the part of reporters, regulators, and law enforcement will be the main assessment material. Reporting parties include banks and other financial service institutions. Meanwhile, the regulators include OJK, BI, and BAPEPTI. for law enforcement parties, including the Prosecutor's Office, KPK, BNN, BNPT, and Densus 88. It is planned that the report on the results of the site visit while in Indonesia will be sent by the Assessor Team to the financial authorities in Indonesia for examination and further results will be discussed in the FATF forum in early 2023.

Multilateral cooperation agreements are a form of global commitment in dealing with money laundering cases, which are transnational organized crimes. There are many positive benefits if Indonesia becomes part of global cooperation because it is very possible between countries to exchange information and data to prevent money laundering.

ASEAN Political-security Community

The magnitude of the impact of corruption cases which are then followed by money laundering actions as an act of saving assets or recovery carried out by corruptors is not only a problem in Indonesia. This is also a serious problem faced by countries in South East Asia. In the spirit of One Vision, One Identity, One Community, various agreements, and cooperation in handling security have been carried out at the ASEAN level.

The cooperation that is still within the framework of the ASEAN security pillars (ASEAN Political-security Community) includes the ASEAN Declaration on the Prevention and Control of Transnational Crime Manila, Philippines, 20 December 1997. Within ASEAN itself, Transnational Crime has been widely discussed in ASEAN. Political-Security Community (APSC) and discussed in the Work Program to Implement the ASEAN Plan of Action to Combat Transnational Crime (2010-2012).

The ASEAN Ministerial Meeting on Transnational Crime (AMMTC), which is part of the pillars of the ASEAN Security Community, is a testament to the seriousness of the member countries of this regional organization in dealing with transnational crime, which is not developing in line with technological advances. Ease of cooperation between countries can be carried out provided that each country has an anti-money laundering law, there is a common understanding of the crime of money laundering, there is an extradition agreement between the members involved, has an extensive information network that includes not only information about money laundering crimes, but also the crimes behind it.

However, this cooperation forum at the ASEAN level often clashes with the laws and sovereignty of each country. AMMTC cannot intervene in the sovereignty of each country considering that security issues are one of the sensitive issues of

ASEAN countries. The large number of corruptors in Indonesia who fled their wealth to Singapore is one proof that various opportunities for bilateral cooperation cannot work properly.

Returning assets resulting from corruption to the state treasury is an important indicator of success in efforts to eradicate corruption in Indonesia. The trend of corruption that crosses countries and involves many actors makes asset recovery difficult. The mechanism for returning assets regulated in the laws and regulations for eradicating criminal acts of corruption and the Criminal Procedure Code is too simple and still conventional, making it impossible to return assets effectively and efficiently. (Ridwan Arifin, et al; 2016). This can be seen from the case involving Sjamsul Nursalim and Itjih S Nursalim, the perpetrators of the corruption crime of misappropriation of BLBI funds, which caused state losses of IDR 4.58 trillion. In 2019 the Corruption Eradication Commission (KPK) included the two names on the People Wanted List (DPO). The KPK, which at that time received information that Sjamsul Nursalim and Itjih S Nursalim had become permanent citizens of Singapore. Then, the KPK coordinated with the Corrupt Practices Investigation Bureau (CPIB) or the Singapore KPK to bring the two back to Indonesia. However, this effort was not successful, Sjamsul Nursalim and his wife Itjih S. Nursalim were not cooperative with the KPK summons. Not only that, the government's efforts through the Ministry of Finance to confiscate assets in the form of land in Lampung are not comparable to state losses due to the actions of the perpetrators, especially since those concerned are also known to have Rp. 517.7 Billion. To run effectively, Indonesia needs to adapt its laws and regulations with universally applicable principles and standards as stated in UNCAC 2003.

Bilateral Agreements in handling cases of money laundering proceeds of corruption

Money laundering as a type of transnational organized crime (TOC) is a form of crime that poses a serious threat to global security and prosperity considering its nature involving more than one country (Indonesian Ministry of Foreign Affairs: 2019). In addition to creating multilateral and regional mechanisms, as an effort to tackle this crime, a bilateral cooperation approach was also implemented between the two countries. In practice, efforts to deal with money laundering are carried out through the same mechanism, namely international cooperation in money laundering cases for all cases, namely through MLA and extradition mechanisms. (Sukardi;2022)

Extradition Treaty

In the pursuit of perpetrators of criminal acts of corruption and their assets who were taken abroad, the Indonesian government also carries out bilateral cooperation with various countries, namely through extradition agreements. Extradition is part of the 2003 UN convention which is regulated in more detail and becomes an instrument in dealing with corruption globally. Extradition According to Indonesian National Law in Chapter 1 General Provisions Article 1

Law no. 1 of 1979 concerning the Extradition Treaty in Indonesia is defined as a surrender by a country to a country requesting the surrender of a person who is suspected or convicted of committing a crime outside the territory of the submitting country and within the jurisdiction of the territory of the country requesting the surrender is authorized to try and criminalize him.

The law related to extradition in Indonesia was first issued by President Sukarno with the inauguration of Law Number 1 of 1979 concerning extradition in Jakarta, through the State Gazette of the Republic of Indonesia of 1979 No. 2 and the explanation in the Supplement to the State Gazette of the Republic of Indonesia Number 3130. In its implementation, extradition is based on bilateral or regional agreements between related countries, but if there is no agreement, extradition is carried out based on the principle of reciprocity.

Table : Indonesia's Extradition Agreements with Several Countries

No	State	Agreement	Signing Year	Ratification
1	Indonesia-Malaysia	Treaty Between The Government of the Republic of Indonesia and the Government of Malaysia Relating to Extradition	1974	UU No. 9 Year 1974
2	Indonesia-Filipina	Extradition Treaty Between The Republic of Indonesia and The Republic of the Philipines	1976	UU No. 10 Year 1976
3	Indonesia-Thailand	Treaty Between The Government of the Republic of Indonesia and the Government of the Kingdom of Thailand relating to Extradition	1976	UU No. 2 Year 1978
4	Indonesia-Australia	Extradition Treaty Between Australia and The Republic of Indonesia	1992	UU No. 8 Year 1994
5	Indonesia-Hong Kong	Agreement between the government of the of the Republic of Indonesia and the	1997	UU No. 1 Year 2001

		Government of Hong Kong for Surrender of Fugitive Offenders		
6	Indonesia-Korea Selatan	Treaty on Extradition Between the Republic of Indonesia and the Reoublic of Korea	2000	UU No. 42 Year 2007
7	Indonesia-Singapura	Treaty on Extradition Between the Republic of Indonesia and Singapore	2007	In Process of Ratification

Table 1 Indonesia's Extradition Agreements With Several Countries
Resource: ICW 2020

Since the enactment of the extradition treaty law, Indonesia has had extradition treaties with several countries, namely: Malaysia in 1974; the Philippines in 1976; Thailand in 1978; Australia in 1992; Hong Kong and South Korea in 1997 and Singapore in 2007 which were then extended again in 2022 because they have not been ratified by both parties. Indonesia's extradition treaty with Singapore was signed on January 25, 2022, in Bintan, Riau Islands. The extradition agreement was signed by the Indonesian Minister of Law and Human Rights (Menkumham) Yasonna H. Laoly and the Minister of Home Affairs and Singapore's Minister of Law K. Shanmugam and witnessed by Indonesian President Joko Widodo (Jokowi) and Singaporean Prime Minister (PM) Lee Hsien Loong. (Seskab, 2022)

In the contents of the extradition agreement, the types of criminal acts included in it consist of 31 types including corruption, money laundering, bribery, banking, narcotics, terrorism, and financing activities related to terrorism. In addition, this agreement is retroactive which means that the enactment of the legislation is earlier than the time of its promulgation, which is 18 years in advance following the provisions on the maximum expiration of cases as regulated in the Indonesian criminal law. Efforts for an extradition treaty between Indonesia and Singapore have been carried out since 1998 by the Indonesian government at every opportunity, both in bilateral and regional meetings with the Singapore Government, but it was only realized in 2007 at the Tampaksiring Palace, Bali.

The Indonesia-Singapore extradition treaty was signed by the Indonesian Minister of Foreign Affairs, Hassan Wirajuda, and Singapore's Foreign Minister George Yeo. Present on the occasion were Indonesian President Susilo Bambang Yudhoyono and Singaporean PM Lee Hsien Loong. However, the agreement has not been implemented because it has not been ratified the agreement. The Indonesia-Singapore Extradition Agreement is experiencing problems in it because the Governments of Indonesia and Singapore have agreed that the ratification of the Extradition Agreement is carried out in parallel with the

ratification of the Indonesia-Singapore Security Cooperation Agreement.

During its development, Commission I of the Indonesian House of Representatives for the 2004-2009 period in a Working Meeting with the Indonesian Foreign Minister on June 25, 2007, refused to ratify the Security Cooperation Agreement that had been signed so that it had an impact on the ratification process of the Indonesia-Singapore Extradition Treaty. This is based on Singapore's desire to use the extradition treaty as a tool to pressure Indonesia regarding the Defense Cooperation Agreement (DCA). Through DCA, Singapore pressured Indonesia to use Indonesian territory to become Singapore's military training base, in return Singapore would ratify the extradition treaty. (A.S. Wicaksana et al, 2016).

So far, Singapore is one of the favorite destinations for corruptors to escape from. This is based on several reasons, which are first, geographical proximity. According to a report by Indonesia Corruption Watch (ICW), from 2004 to 2014, there were at least 45 corruptors who fled to Singapore and used the country as a place of refuge. This is because Indonesia and Singapore do not yet have an extradition treaty. Singapore's economic progress can facilitate money laundering. Since Singapore implemented a policy of transparency in its ease of investment, Singapore has succeeded in attracting foreign investors to invest in this lion's land.

According to data reported by the UNCTAD 2016 World Investment Report, Singapore also managed to rank seventh among the host countries with the most investment in the world. Finally, the government is so permissive towards capital owners that Singapore has an official policy regarding foreign investment with no separation between policies and treatment that distinguishes foreign investors from domestic investors. This causes no discrimination between PMA and PMDN in Singapore. In Singapore, all foreign investors are free to have control over 100% of their business ownership for repatriation, the exception being for several business areas involving Singapore's national security, such as telecommunications, broadcasting, media, financial services, law, and other businesses. This is the reason many corruptors flee to Singapore.

With the opening of Singapore to investors, Singapore also regulates regulations related to corruption in its country into two regulations, namely the Prevention of Corruption Act, a formulation specifically formed in the business community in the form of bribery between the private sector and the private sector to civil servants, while for corruption cases committed by employees taken from Singapore Criminal Code. As a country that provides great freedom for investors, Singapore also provides different types of penalties depending on who the private party bribes or corrupts. In the event of a bribery case involving a government agency, the penalty will be increased while following the regulation of the Prevention of Corruption Act (Hariadi, 2013).

Singapore has a record as a weak country in handling money laundering problems, the Singapore constitution does not regulate this, causing money laundering problems still often occur in this country. According to data released by Merrill Lynch, the assets of Indonesian corruptors in Singapore reached US\$

87 billion or around Rp870 trillion. In the absence of an extradition treaty between Singapore and Indonesia, the Indonesian police cannot ask Singapore for help in arresting the perpetrators of these crimes. Therefore, the police in Indonesia must investigate the whereabouts of the perpetrators of these crimes themselves and must be brought back to Indonesia for trial. So far, the absence of a diplomatic cooperation agreement in handling transnational crime between Indonesia and Singapore has made it difficult for law enforcement officials (APH) to handle cases if the suspect or suspect's assets are brought to Singapore. Several cases even had to be tried in absentia because the accused was in another country and due to the ineffectiveness of the MLA or extradition agreements. (Sukardi; 2022).

Mutual Legal Assistance (MLA) or Mutual Legal Assistance Agreement

In addition to extradition, bilateral cooperation in the pursuit of assets taken from abroad, especially those originating from illegal acts of corruption, is MLA. Mutual Legal Assistance (MLA) or Mutual Legal Assistance Agreement is a term that appears in the criminal field (Starke, J.G., 1986) MLA as an initial stage in enforcing the law is also contained in article 1 paragraph 5 of Law no. 1 of 2006 concerning Mutual Assistance in Criminal Matters regarding confiscation and blocking of assets resulting from crime. With its reciprocal principle, it means that every contributing country must have a contribution to hand over to the perpetrators of crimes upon request. This request cannot be carried out if one country does not have good diplomatic relations with other countries to establish bilateral and multilateral relations. In implementing cooperative relations under the auspices of the International Criminal Police Organization (ICPO), Indonesia can play the role of being the one asking for help or being asked for help by other countries. The confiscated goods or assets must be related to the proceeds of a crime which is useful in obstructing the investigation, prosecution, and examination process during the trial (Latifah, 2017).

In the United Nations Convention, it is stated that Transnational Organized Crime in 2000, things that are included in international crimes are crimes that occur between countries, the perpetrator or victim is a foreign national, and means of crossing territorial boundaries between countries. With the emergence of various international crimes, several countries use the Mutual Legal Aid Agreement as a realistic solution in today's globalized world (Fromiti, 2018). The United Nations has established several conventions that contain provisions regarding asset recovery and Mutual Legal Assistance (MLA) in the context of confiscation and confiscation of proceeds and instruments of criminal acts.

The existence of an MLA or Mutual Legal Aid Agreement as a solution to the problem of money laundering is carried out by confiscation of the perpetrator's assets, through international cooperation with the security forces of each country involved. In this case, it means that MLA acts as a real and legal solution in international relations to deal with contemporary international criminal problems (Noer Indriati, 2009). The Mutual Legal Aid Agreement is a process by

which a country seeks and aids other countries in serving judicial documents and collecting evidence for use in criminal cases (UNODC, 2018). Like the extradition treaty, MLA is also regulated in the UN convention - UNCAC 2003. MLA is regulated in article 46 of the UNCAC anti-corruption convention. The MLA objects, among others, regulate the taking and giving of evidence, including documents, a statement of identification of the location of a person's whereabouts, carrying out requests for searching evidence and confiscation, to disbursing and freezing assets.

Table 2 : Indonesian MLA Agreements with Several Countries

No	State	Agreement	Signing Year	Ratification
1	Indonesia - Australia	Treaty Between the Republic of Indonesia and Australia on Mutual Assistance in Criminal Matters	1995	UU No. 1 Year 1999
2	Indonesia - RRC	Treaty Between the Republic of Indonesia and The People's Republic of China on Mutual Legal Assistance in Criminal Matters	2000	UU No. 8 Year 2006
3	Indonesia - South Korea	Treaty Between the Republic of Indonesia and Republic of Korea on Mutual Assistance in Criminal Matters	2002	Not Yet Ratification
4	Indonesia - Brunei, Kamboja, Laos, Malaysia, Filipina, Singapore and Vietnam	Treaty on Mutual Legal Assistance in Criminal Matters (ASEAN MLA TREATY)	2004	UU No. 15 Year 2008
5	Indonesia - Hongkong	Agreement concerning Mutual Legal Assistance In - Criminal Matters between Hong Kong and Indonesia	2006	Not Yet Ratification

The country that has entered into an MLA agreement with Indonesia is Switzerland. On July 2, 2020, the Special Committee (Pansus) of the DPR RI consisted of a combination of Commission I and Commission III and the Government. Chairman of the Special Committee and Deputy Chairman of

Commission III of the Indonesian House of Representatives Sahroni signed a bill relating to the treaty on Mutual Legal Assistance (MLA) in Criminal Matters between the Republic of Indonesia and The Swiss Confederation between the Republic of Indonesia and the Swiss Confederation. The agreement does not just happen with one meeting. The RI-Swiss MLA agreement was realized in two rounds, the first was carried out in Bali in 2015. The second was in 2017 in Bern, Switzerland to complete the discussion of the articles that had not been agreed upon in the first negotiations. The meeting that was held gave a decision that the results of the signing could be brought to level II to be ratified in the Plenary Meeting on July 14, 2020. This was done so that the MLA Indonesia and Switzerland could become a means of legal cooperation, especially in the government's efforts to eradicate corruption and return assets generated from corruption (asset recovery). Thus, the presence of the Mutual Legal Aid Agreement is the right tool to function as an instrument to eradicate money laundering and corruption as two types of organized financial crime.

Switzerland has been known as a European country where the world's billionaires have the safest place to save money. Many national businessmen keep their money in Switzerland. Due to the nature of their country's laws which are used to keep account holder details confidential, Switzerland is also known to be immune from most global disasters and wars. making them a great choice for hiding untold wealth. In the current era of globalization, national boundaries are very virtual, so international relations seem dynamic, but international boundaries are increasingly easy to penetrate. With the rapid advancement of technology, especially in the field of financial technology, has led to the emergence of various new international crimes, one of which is financial crime, which is money laundering. Financial crime is a crime in the financial sector, one of which is money laundering. Over time in this borderless era of globalization, in addition to money laundering, financial crime also continues to grow rapidly along with the advancement of financial technology itself.

Many modes are used to disguise the results of criminal acts so as not to invite suspicion. Banks and financial service companies are required to report if they receive suspicious transactions such as the amount of cash deposit or transfer of Rp 500,000,000.00 (five hundred million rupiahs) or in a foreign currency of equivalent value. Whether done in one transaction or several transactions in 1 (one) business day; and/or financial transactions to transfer funds from and to overseas. For this reason, in examining the practice of money laundering as a transnational crime by perpetrators of corruption in Indonesia, the researcher uses the three theories mentioned above. Here are some comparative data on sanctions for each country:

Table 3 : Comparison of Legal Sanctions for Corruptors in Several Countries

State	Punishment
Singapore	Imprisonment, up to the death penalty, and a fine of IDR 1 billion even though corruption is only equivalent to IDR 20,000
Malaysia	Hanging
China	100,000 yuan or IDR 214 million for corruption can be punished by the death penalty
South Korea	Severe punishment, ostracized until many corruptors commit suicide because of depression
Vietnam	Life imprisonment up to death penalty (except pregnant women and caring for children under five)
New Zealand	Minimum sentence of 14 years in prison, officials and ASN are prohibited from accepting gifts
Germany	Minimum 5 years imprisonment, fine and threatened with expulsion from the country

From the table above, it can be seen how other countries apply severe penalties to perpetrators of corruption. Singapore is a favorite destination for perpetrators of corruption in Indonesia because of the tax haven policy it enforces, but in the application of punishment for corruption cases, Singapore is very strict. The country of the white lion imposes sanctions ranging from imprisonment to death with a fine equivalent to Rp1,000,000,000.00 (one billion rupiah) even though the acts of corruption only cost the state the equivalent of Rp. 20,000 (twenty thousand rupiah). Vietnam is a small country in Southeast Asia, but it does not play around in applying sanctions against perpetrators of corruption by implementing prison sentences and even the death penalty. This strict sanction applies equally to all countries except mothers who are pregnant and have toddlers.

The neighboring country of Malaysia has even implemented the hanging penalty for its citizens who are proven to have committed crimes of corruption. An anti-compromising stance was also adopted by China and South Korea. Corruption equivalent to Rp214,000,000.00 (two hundred and fourteen million rupiah) is given the death penalty, while in South Korea, perpetrators are conditioned to depression and eventually commit suicide. The application of sanctions as white-collar crimes in developed countries such as New Zealand and Germany which from the beginning imposed strict rules for civil servants in their

countries was no less stringent, ranging from imprisonment to being dishonorably expelled from the country.

The rules and sanctions that apply in a number of countries above appear different from those in Indonesia, which is known as a country that is considered too light in imposing sanctions on corruptors. As a result, the sentence that is too low does not create a deterrent effect for the perpetrators. In some cases, the corruptors were even sentenced to a reduced sentence. Likewise, the sanction of returning money to the state is only 2 percent of the total money stolen from the state. This situation is increasingly beneficial for the corruptors, because even though the perpetrators are legally processed, the assets resulting from the crimes flow to other countries through various modes of money laundering. That is why, money laundering as a follow-up action from corruption that harms the state becomes the enemy of every country in the world. Based on this urgency, a solution agreement is needed that can facilitate the handling of international criminal cases. In establishing relations with other countries, there are often various agreements that appear to regulate the limits of treatment for each country. Various international collaborations to eradicate corruption cases are in line with the laws in force in Indonesia. Article 2 of the Money Laundering Law No. 8 of 2010 places the criminal act of corruption at the top of the list as a source of wealth among 25 other dirty behaviours, including bribery, narcotics, and smuggling, and so on. The case of corruption in question is an act committed in the territory of the Unitary State of the Republic of Indonesia or outside the territory of the Unitary State of the Republic of Indonesia and such crime is also a criminal act according to Indonesian law.

The Anti-Money Laundering Law also authorizes law enforcement officers to pursue perpetrators and their assets abroad. Chapter XI regulates cooperation in dealing with money laundering internationally. Article 89 of Law No. 8 of 2010 concerning the Cooperation Chapter of the cooperation chapter in the prevention and eradication of money laundering crimes states that:

- a. International cooperation is carried out by PPATK with similar institutions in other countries and international institutions related to the prevention and eradication of the crime of Money Laundering.
- b. International cooperation carried out by PPATK can be carried out in the form of formal cooperation or based on mutual assistance or the principle of reciprocity.

Likewise in Article 90, it is stated that in preventing and eradicating the crime of Money Laundering, PPATK may cooperate in exchanging information in the form of requesting, giving, and receiving information with parties, both nationally and internationally, which include: law enforcement agencies; institutions authorized to supervise financial service providers; the institution in charge of examining the management and responsibility of state finances; other institutions related to the prevention and eradication of the crime of Money Laundering or other criminal acts related to the crime of Money Laundering; and financial intelligence units of other countries. With the completeness regulated

in this law, there are no loopholes and reasons in the pursuit of state assets which are then laundered through the money laundering process abroad. In every international cooperation agreement, a productive step that should be taken to overcome transnational crimes is to ratify the agreed international cooperation agreement.

The absence of an extradition treaty and MLA are often used as scapegoats for the failure of the hunt for the return of state wealth from the proceeds of corruption that have been laundered by money laundering. Various international agreements and cooperation, both through multilateral, regional, and bilateral approaches have been arranged in such a way that each country helps each other and provides convenience in handling money laundering cases committed by a country. The extradition incident of Maria Paulina Lumowa has become evident that without the two agreements if law enforcement officers intend, the perpetrators can be taken away not only for certain political purposes or interests.

The impact of corruption is so great that it can reduce the quality of people's welfare and does not carry out the ethical values of Pancasila and the 1945 Constitution. The high state losses due to corruption will have an impact on the state's obligation to provide people's welfare rights. We can see today how the government's foreign debt continues to increase to 409.5 billion US dollars in April 2022 (BI, 2022). The addition of foreign debt, one of which is triggered by high government spending.

Realization of state losses on asset recovery, which can be used for the benefit of the state, such as to finance development, is a crucial issue in efforts to eradicate corruption because all international cooperation agreements at the global, regional and bilateral levels are primarily aimed at asset recovery. Returning assets is one of the new sentencing objectives in the criminal law to eradicate corruption and money laundering.

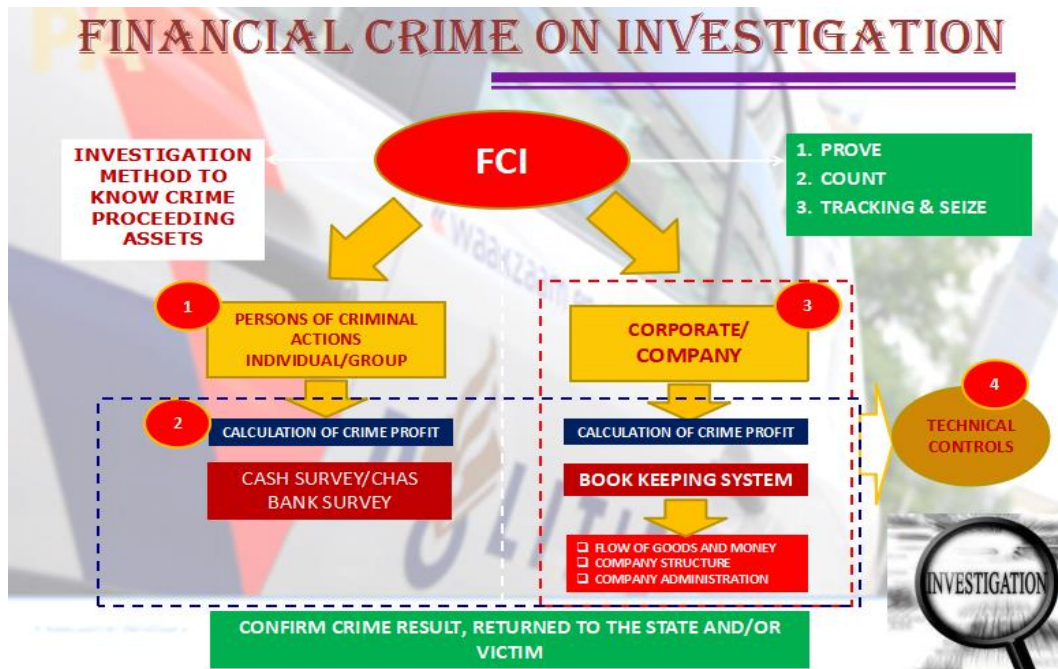


Table 3 : Follow The Money Concept

Resource : Presentation material for Sukardi's Keynote Speech (Bareskrim POLRI) in the seminar on 'Transnational Crime Financial Crime Investigation', International Relations Department, Universitas Nasional, 25 April 2022

International cooperation is a must, although of course, the existence of international cooperation agreements has not been able to optimally resolve the money laundering cases faced by almost every country in the world. The era of globalization makes nation states interdependent, as well as various crimes that penetrate national borders will continue to be transformed into transnational crimes as technology advances, so international cooperation is one of the important steps that must be taken by each country in order to realize the common goals of the nation states.

With international cooperation in handling the return of assets resulting from corruption crimes that have been 'legalized' through the money laundering process, it can make it easier for law enforcement officers between countries to track the whereabouts of assets resulting from crimes or the concept of follow the money. In tracking assets resulting from crime, there are financial crime investigation techniques and have been practiced by law enforcers in various countries, including in Indonesia. An investigation or investigation method to find out the suspect's assets obtained from the proceeds of a crime so that they can be confiscated to be returned to the state and or the victim. With this investigative method to find out the assets resulting from this crime, law enforcement can prove, calculate, even carry out calculations to carry out confiscations. (Sukardi, Bareskrim POLRI, 2022).

From the table above, it is clear that Financial crime on investigation through the follow the money concept can be carried out in two ways, namely tracking the perpetrators of criminal acts committed individually or in groups and secondly, tracking the perpetrators who are corporate or corporate. Tracking through individuals/groups is carried out using step cash or survey/cash techniques. Meanwhile, tracking through corporations/companies is carried out using the step book keeping system technique. The trick is by tracking the flow of goods - money, company structure and company administration.

By using this investigative method, an audit process of money proceeds from crimes such as money laundering can be carried out, this can be done with two approaches, the first being tracked through per crime/per Act and per period/per period. The tracking method per crime / per act is carried out using the formula; the amount of profit plus income from criminal investment plus cost savings is then added together so that the total profit obtained will be known, then minus the costs incurred for crime so that the number of illegal / illegal money is obtained. The second method is the approach per period / per period through cash survey techniques and cash bank surveys. The trick is to investigate the initial assets plus official income minus the last asset per calculation equal to the possibility of spending minus real expenses so that the amount of illegal / illegal figures can be known. Assets from the proceeds of crime that are known from the investigation are then confiscated, returned to the state and/or victims.

However, in reality, the application of the follow-the-money concept in Law no. 8 of 2010 in Indonesia, has not been fully implemented. This is because in its implementation the provisions of Article 69 of Law No. 8 of 2010 which gives the authority to implement the follow-the-money concept are still limited by the habits and understanding of some APHs who consider that "the application of money laundering must be proven first with the Predicate Crime". Therefore, in Sukardi's view, as long as these understandings and habits are followed, the concept of the following money has not been fully implemented. Unlike the case with the financial criminal investigation method in the Netherlands, the application of the follow-the-money concept does not recognize predicate crime but uses forensic accounting to trace the suspect's assets and prove the profits of the suspect's crime proceeds. (Sukardi; 2021).

The difficulty of approaching bilateral cooperation in efforts to eradicate corruption, especially in being able to return state assets, can be observed in the case of the convict in the case of embezzlement of Rp. 1.5 trillion in BLBI funds, Adrian Kiki, who fled to Australia in 2002. Treaty between Australia and the Republic of Indonesia) which was made in 1992. However, the implementation of the extradition experienced many obstacles, one of which was the extradition process which was so long due to differences in laws between Indonesia and Australia. Ideally, Extradition Agreements and MLA can be the main solution for money laundering crimes. MLA is an international legal instrument used by many countries as a tool to crack down on and prevent transnational organized crime. However, in reality, these two forms of agreement often have several

implications for bilateral relations because they can deteriorate due to friction or confrontation between the two countries. Furthermore, the effect of this confrontation can even be a trigger for delays in the implementation of the extradition treaty that has been made against the requesting or requested country. (Hafidz, Hendry; 2019)

From the case studies above, it can be seen that the impact of international cooperation for handling asset recovery from the proceeds of money laundering crimes is not significant, and not optimal, due to various obstacles including different legal systems, weak judge decisions, government political will, and the application of the principle of bank secrecy in several countries such as Singapore and Switzerland. However, problems that arise in the return of assets can be overcome through bilateral agreements, increasing the competence of law enforcement officials, and strengthening regulations and supporting infrastructure. (Ridwan Arifin, et al; 2016).

CONCLUSION

This research proves that money laundering as a type of transnational crime has become a problem for the global world, both developed countries and developing countries such as Indonesia. In handling it, joint efforts are needed, both through a multilateral cooperation approach with the agreement of the United Nations Convention Against Corruptions (UNCAC), at the regional level through the ASEAN Political-Security Community (ASPC) which is equipped with various agreements and bilateral agreements in extradition cooperation schemes and MLA (Mutual Legal Assistance). These cooperation agreements were made as an effort to return asset return on assets even though they were not yet effective due to various obstacles. Money laundering and corruption are two types of transnational organized crime (TOC) that have attracted international attention. Various types of international cooperation were agreed upon in tackling corruption cases which became the initial crime of money laundering with one main goal, namely, to restore state losses. The International Convention for the Eradication of Corruption (UNCAC) 2003 has regulated the Asset Recovery Mechanism for the proceeds of the crime of corruption which were taken abroad through money laundering.

Returning state assets or asset recovery or Return on Assets (ROA) stolen by corruptors is the main goal behind various international cooperations. In the concept of asset recovery or Return On Assets (ROA) it is the people who are the most harmed by this crime, so that the return of state assets is absolutely necessary. This concept also explains that the return of assets can be done by stripping the rights to ownership of the assets, removing them from the perpetrators and making confiscations. Although until now in the international world there is no uniform understanding of asset recovery, the authors see the relevance of the role of international cooperation in dealing with money laundering cases which have become enemies of countries in the world. The author also considers it necessary conceptually how the asset return scheme to

the people as the aggrieved party can receive their rights back in a targeted manner. Although it is very difficult for law enforcement officers to return asset recovery money from the hands of corruptors, Indonesia's participation in international cooperation agreements is still needed because many positive benefits can be obtained if Indonesia becomes part of global cooperation, such as the ability to exchange information and data for preventing the crime of money laundering with other countries.

The results of the study indicate that international cooperation agreements have arranged various facilities to help each other in handling money laundering cases from the proceeds of international crimes. However, the reality is that it is still difficult to find a solution, the real root of the problem lies in the seriousness of law enforcement in eradicating money laundering in Indonesia. If the Money Laundering Law no. 8 of 2010 was carried out well by the Law Enforcement Officials (APH) who were the perpetrators of corruption as well as their assets who fled abroad and could be pursued and their assets returned to the state treasury. Therefore, APH should be more serious in dealing with corruption and money laundering cases to restore the dignity of the nation. The 2003 UN-UNCAC Convention which was revealed in regional and bilateral cooperation agreements has set up an agreement in the handling of money laundering as part of the global commitment to handling corruption cases as a transnational crime. With seriousness in law enforcement, corruption cases can be eradicated, and asset recovery can be returned to the state which is in dire need of funds for development for the welfare of the people as mandated by the 1945 Constitution.

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