

10-31-2013

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Recommended Citation

Husein, Yunus (2013) "NATIONAL AND INTERNATIONAL COOPERATION ON THE PREVENTION AND ERADICATION OF MONEY LAUNDERING," *Indonesian Journal of International Law*. Vol. 11: No. 1, Article 1.

DOI: 10.17304/ijil.vol11.1.264

Available at: <https://scholarhub.ui.ac.id/ijil/vol11/iss1/1>

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NATIONAL AND INTERNATIONAL COOPERATION ON THE PREVENTION AND ERADICATION OF MONEY LAUNDERING

Yunus Husein¹

Abstract

The Prevention and eradication of money laundering, as one of the new paradigm in the effort of combating crimes, has its own mechanism in conducting both national and international cooperation, especially in relation to the cooperation of information exchange. The cooperation is mediated by the establishment of Memorandum of Understanding, and can also be conducted by the principle of reciprocity among parties. In its practice, the cooperation will strengthen the performance of Indonesian Financial Transaction Report and Analysis Center (INTRAC/PPATK) in conducting its duties and authorities as Financial Intelligence Unit.

Pencegahan dan pemberantasan tindak pidana pencucian uang, merupakan salah satu paradigma dalam upaya untuk memberantas kejahatan, memiliki mekanisme tersendiri dalam pelaksanaannya baik dalam kerja sama nasional dan internasional. Terlebih dengan hubungannya dalam hal pertukaran informasi. Kerjasama tersebut di mediasikan dengan dibentuknya nota kesepahaman, dan dapat juga dilakukan atas dasar prinsip asas resiprositas antara para pihak yang terkait. Pada praktiknya, kerja sama akan memperkuat kinerja Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) dalam melaksanakan kewajibannya sebagai Lembaga Intelijen Keuangan.

Keywords: money laundering, cooperation, national, international, reciprocity.

I. INTRODUCTION

Cooperation is an inevitable element in fulfilling the needs and achieving a goal, essentially because humans are social beings. Theoretically, cooperation refers to the activity or effort done by some people or a larger group to achieve a common goal or the agreed possible methods in general². Generally, cooperation includes the opposite paradigm of competition.

¹ Chairperson of Indonesian Financial Transaction Report and Analysis Center 2002-2011, educating staff in various Universities

² See Ministry of Education, 2005, *Kamus Besar Bahasa Indonesia*, Balai Pustaka: Jakarta, p. 554;

Even so, some cooperation is deemed illegal or is done in order to commit crime. Organized crime, in this case, is a term for crimes committed in well-planned actions, led by a person or a certain group. United Nations Convention Against Transnational Organized Crime in 2002, also known as UNTOC or Palermo Convention, stipulates a definition for the term "Organized Criminal Group" as "a structured group of three or more person, existing for a period of time and acting in a concert with the aim of committing one or more serious crimes or offences established in accordance with this convention, in order to obtain, directly, a financial or other material benefit³."

Developments in science and technology, particularly in regards with the development of transportation, communication and information has resulted connections among regions in one country and among countries seem limitless, so that the movement of people, goods, and money from one country to another is relatively easy and fast. It also causes the development of sophisticated crimes.

The existence of an organized crime also requires strengthened efforts in control and combating it. Not only in mastering and taking multidimensional measures in domestic scale of a country, but also cross-border cooperation is need to be done.

The prevention and eradication of money laundering, as a new paradigm of the existing or even a new ones⁴ in combating crime, has its own mechanisms to carry out national and international cooperation, especially in terms of the exchange of information. In this case, the Center for Financial Transaction Reports and Analysis Center (INTRAC) acting as the focal point of prevention and eradication of money laundering and financing terrorism has been involved in a lot of cooperation with various agencies both within and outside the country. As of the end of March 2014, there has been 50 cooperation recorded by the signing of Memorandums of Understanding, while there has also been

³ UNTOC has been ratified with Indonesia with Law No. 5 of 2009 on Ratification of United Nation Convention Againsts Transnational Organized Crime. State Directory RI No. 5 of 2009, Additional State Gazette No. 4960;

⁴ Known as *follow the money* paradigm, it is a strategy used in pursuing or seizing of deeds of crime, so that criminals could not develop and expand their crimes. See Yunus Husein, 2008, *Negeri Sang Pencucian Uang*, Pustaka Juanda Tiga Lima, Jakarta, p. 62.

46 overseas cooperation carried by INTRAC.

The implementation of national and international cooperation by INTRAC becomes interesting and special for the study in the field of international law and international relations, it is (for example) because INTRAC as an institution who has the authority, is a relatively new established financial intelligent unit in Indonesia.

II. PREVENTION AND ERADICATION OF MONEY LAUNDERING

A. INTRAC AS A FINANCIAL INTELLIGENT UNIT

INTRAC is an independent institution which was established with Law No. 8 of 2010⁵ as amended by Law No. 25 of 2003 (hereinafter referred to as Anti Money Laundering Law). INTRAC's chair person is appointed by and is responsible to the President. Even though it is possible under INTRAC Law to have branches or representing offices in another region, INTRAC only has one headquarter located in Jakarta with no branch or representing offices elsewhere.

Acting as a Financial Intelligent Unit (FIU)⁶, INTRAC's duty is to receive information or reports, perform analysis on those reports, and forward them to law enforcement. As FIU, INTRAC has a strategic position in coordinating measures and efforts to prevent and combat money laundering⁷. These efforts are seen to build a bridge for the ne-

⁵ Indonesia's State Gazette of 2010 No. 30, Additional State Gazette No.5164.

⁶ According The Egmont Group (1996), Financial Intelligent Unit refers to, "A central, national agency responsible for receiving (and, as permitted requesting), analyzing, and disseminating to the competent authorities, disclosures of financial information (i) concerning suspected proceeds of crime, or (ii) required by national legislation or regulation, in order to counter money laundering. Lihat Egmont Group, "Information Paper on Financial Intelligent Units and The Egmont Group," accessible on http://www.oecd.org/fatf/pdf/EGinfoweb_en.pdf, accessed on 11 November 2009;

⁷ In accordance with Article 41 of the Law on Money Laundering, INTRAC has several basic duties, such as:

- a. Collect, store, analyze, evaluate information obtained INTRAC (point a);
- b. Report the result of the analysis of financial transactions that indicate the possibility of occurring money laundering to the police and the Attorney (point g);
- c. Issuing guidelines and publications to FSPs in regard for compliance reporting

cessity of financial information to expand the scope or accessibility for law enforcement against the perpetrators. With financial information, the mastermind of a crime could be identified and pursued so that the investigator could make arrests to the mastermind and not only to the perpetrators.

Furthermore, INTRAC is acting as an FIU, because according to Article 41,43 and 44 of Anti Money Landering Law, INTRAC has other duties, such as making and issuing regulations in form of guidelines for Reporting Party, conducting a compliance audit of Reporting Party and giving recommendations to the government.

At this time, the existence of an FIU in addition to give the benefits for domestic's law enforcement, is also deemed to provide convenience and better speed in coordinating and cooperation in combating transnational crime. At first, the existence of an FIU in one country is originated from the international consensus in regards to the necessity to establish an institution in supervising financial transactions on various facilities on the financial industry and the needs of fast and easy coordination among countries in controlling money laundering. The aspects of necessity for fast and easy cooperation are preferred in regards to the utilization of the easy and fast variety of Reporting Party.

B. ANTI-MONEY LAUNDERING REGIME

Law on Money Laundering is not only established INTRAC, but also gives INTRAC duties, authority and a new working mechanism for Reportig Party, financial industry or Reporting Party regulators, law enforcement agencies, and another related stakeholders.

The efforts to combat money laundering are done by providing the ability and obligation for FSPs in detecting Suspicious Transaction

the obligation and compliance of reporting.

Under Article 43-44 on the Law of Money Laundering, INTRAC has several principal authorities in performing their duties, such as:

- a. Request and receive reports from FSPs (point a);
- b. Requesting information on the progress of the ongoing investigation and prosecution of money laundering case that has been reported (point b);
- c. Conduct compliance audit reporting obligation of FSPs (point c).

Reports (STR)⁸ and Cash Transaction Report (CTR)⁹. In this position, FSPs are acting as front liners. Those reports later are submitted to INTRAC to be analyzed, to be given the value-added and then disseminated in form of Intelligence¹⁰ to law investigators such as police and the Corruption Eradication Commission (Komisi Pemberantasan Korupsi) for further investigation and prosecution on trials.

In addition to mechanism starting from Reports from Reporting Party (known as bottom-up mechanism), it is also known a mechanism which originated from the initiative of law enforcement agencies (known as top-down mechanism), police, prosecutors, or the Commission may request information to INTRAC such as financial information to complete the findings or about the cases that are being handled. Furthermore, INTRAC conduct further enquiry to other FIUs in various countries then give the result to law enforcement who requested such information.

III. FORMS AND SUBSTANCE

A. LEGAL BASIS

Article 90 Anti Money Laundering Law stipulates that INTRAC in conducting prevention and eradication of money laundering is able to have cooperation with related institution, both in national and international scope. In addition, INTRAC also establishes the possibility to

⁸ Transaction is deemed not fair (unusual) (Article 1 point 5 of the Law of Money Laundering), namely:

1. Deviate from the profile, characteristic or habitual patterns of customer transactions;
2. Aims to avoid a report of a transaction;
3. Done/cancelled allegedly using deeds derived from criminal acts.
4. Transaction asked by INTRAC to be reported.

⁹ On the cumulative sum of 500 million Rupiah currency or more, or in foreign currency has the equivalent value, either performed in a single transaction or several transactions made in one day.

¹⁰ INTRAC's other resources: Carrying Cash Reports from the Director General of Customs and Excise, requested access to the information of Reporting Party, access for information through compliance audits of Reporting Party, information from law enforcement authorities, as well as from various agencies/institutions located in the country, information from foreign FIUs, and information from the media and public.

build domestic cooperation both in form of providing advice and assistance to the competent authorities regarding to the information obtained by INTRAC. Furthermore in Article 41 the Anti Money Landering Law gives INTRAC duty to provide advice to the Government on measures to be taken in preventing and combating money laundering.

Further implementation of the agreement is also stipulated in Government Regulation No. 50 Year of 2011 on Procedures for Implementation of INTRAC Authority and the signing of MoUs (Memorandum of Understanding) between INTRAC and relevant agencies or with their foreign counterparts.

Article 31-36 of Government Regulation No. 50 Year of 2011 gives details about the provisions contained in Article 90 of the Money Laundering Law, stating that INTRAC has the ability to exchange information with relevant parties both in national and international levels in bilateral and multilateral forums based on current regulations. Such cooperation can be conducted with or without written agreements, such as exchange of information, technical assistance, and/or education and training.

For domestic cooperation conducted by INTRAC along with related agencies, could not be separated from its efforts to make the prevention and eradication of money laundering effective and underlying predicate acts (predicate offense). In accordance with Article 2 of the Law, the predicate offenses are listed offences in Article 2 and other offenses are punishable by imprisonment for 4 years or more.

An illustration of INTRAC Cooperation is with the Corruption Eradication Commission (KPK). This cooperation is based on predicate offenses which lead to a corruption. Under Article 44 paragraph (1) of the Law, INTRAC has the obligation to submit the result of its analysis on financial transactions to the investigators, so that based on those reports show indications and relations to an act of corruption. In accordance with the Law No. 30 of 2002 on Corruption Eradication Commission¹¹, the Commission is the authority which has capability in coordination, supervision, enforcement, prevention and monitoring measures

¹¹ State Gazette of the Republic of Indonesia of 2002 No. 137, Additional State Gazette of the Republic of Indonesia No. 4250.

taken for eradication of corruptions¹². To establish an understanding in cooperation with laws and regulations related, INTRAC makes agreed MoUs with the relevant agencies.

B. FORM OF COOPERATION

It is currently known some nomenclatures which are normally used in international cooperation to combat criminal acts, such as the Exchange of Information Agreement (Memorandum of Understanding on the Exchange of Information), Mutual Legal Assistance Agreement, the Extradition Treaty and Transfer of Convicted (Transfer of Sentenced Person).

What distinguishes each agreement, is that in the exchange of information agreement, the object of its cooperation or information that is exchanged is the information relating investigations of a crime. While in the MLA Agreement, the scope of cooperation includes the stage of inquiry, investigations, examination in court, and the execution of court decisions for seeking evidence and proceeds of crime. Meanwhile, the extradition treaty is more focused on the attempt to arrest a suspect or defendant who was in the jurisdiction of another country where the treaty is signed. Then, transfer of sentenced person agreement includes the transfer of the people who have undergone partial punishment to their home country to live the rest of his sentence that has not lived in the country.

INTRAC cooperation which undertaken with foreign FIUs is based on Friendly Relations of Reciprocity (Reciprocity), Memorandum of Understanding (MoU) and Exchange of Letters. In domestic level, MoU is usually used. Reciprocity is a principle in international relations that becomes the ideal basis for cooperation. Legal Thesaurus/ Dictionary defines reciprocity s a mutual exchange of benefits or treat-

¹² According to Article 6 of Law No. 30 of 2002, the Corruption Eradication Commission has several duties, such as:

- a. Coordinating with competent agencies to combat corruption;
- b. Supervising of authorized institutions in combating corruption;
- c. Investigating and helping prosecutions of corruption;
- d. Take measures to prevent corruption; and
- e. To monitor the state administration.

ment between countries, states, companies, or individuals; the granting of a privilege on condition that a comparable privilege is returned¹³.

According to Scholl, reciprocity is a feeling of reciprocation that underlies normative commitment, universally acknowledged as the result of mutual interaction between humans. One person should help others who have been helped, and should not harm other people who once helped us¹⁴.

A cooperation that is based on reciprocity does not require a document for its basis. Cooperation on the basis of reciprocity is usually done by each FIU, especially those who have been an member of Egmont Group, acting as an umbrella organization of the FIUs¹⁵.

According to Law No. 37 of 1999 on Foreign Relations¹⁶, a treaty may take many forms such as in Agreements, Conventions, MoUs, Exchange of Letters and others. In general, the provisions of Law No. 37 of 1999, term Agreement means an agreement mentioned in the form and any designation, which is governed by international law and is made in writing by the Government of the Republic of Indonesia with one ore more states, international organizations or other subjects of international law, as well as give rise to the rights and obligations of the Government of Republic of Indonesia, which falls under the public law (Article 1 paragraph (3)).

Almost all of the cooperation made by INTRAC, are done by the signing of an MoU with domestic or foreign parties. There is also a cooperation made in the form of an exchange of letters like what happened with cooperation conducted with Hong Kong in terms of ex-

¹³ William Statsky, 1986, *Legal Thesaurus/Dictionary*, Web Publishing Company, United States.

¹⁴ See Richard W. Scholl, "Organizational Commitment", accessible on <http://www.uri.edu/research/lrc/scholl/webnotes/Commitment.htm>, accessed on 25 November 2009.

¹⁵ This FIU is a member of the Egmont Group, which is an organization founded in 1995 in Brussels, Belgium. The name is taken from the name of Egmont Arenberg De, the office area of Ministry of Foreign Affair from Belgium. As of June 2013, The secretariat office of Egmont Group is located in Toronto, Canada consisting of 136 member countries.

¹⁶ State Gazette of the Republic of Indonesia of 2002 No. 137, Additional State Gazette of Republic of Indonesia No. 3882

change of information. The MoU signing for cooperation still requires a full power¹⁷ from Minister of Foreign Affairs. Although steps taken on the making of MoU did not fully follow the mechanisms contained in Law No. 24 of 2000¹⁸ on International Treaties, it is because MoUs between FIUs has become a continuous and repeated standard use for countries.

C. SUBSTANCE OF COOPERATION

In accordance with the provisions of Article 90 of the Law and its elucidation, cooperation conducted by INTRAC with other relevant domestic and international agencies may include cooperation on exchange of information. Historically, cooperation among INTRAC and its partner agencies, such as Indonesian National Police, Attorney General Office, Central Bank also covers cooperation in exchange of staff and joint training. In addition, collaboration can be done also in order to provide recommendations to the government on effort to prevent and eradicate money laundering (Article 41 of the Law).

The scope of its cooperation is then adjusted with the limit of authority possessed by each agency related. In this case, it is distinguished between institutions in accordance of its authority which are invited to cooperate with INTRAC based on current regulations.

Cooperation made by INTRAC with relevant agencies could be

¹⁷ Power of Attorney (Full Power) is a letter issued by the President or the Minister authorizes one or more people in representing the Government of the Republic of Indonesia to sign or accept the agreement, expressed approval of the state to be bound by the agreement, and/or finish things required in the making of other international treaties (Article 1 General Provisions Section C of Law No. 24 of 2000 on International Agreement).

¹⁸ State Gazette of Republic of Indonesia of 2000 No. 185, Additional State Dictionary of the Republic of Indonesia No. 4012. Under the Law No. 24 of 2004, the stage of making international agreements are:

1. Assessments;
2. Negotiations;
3. Drafting
4. Approval/acceptance;
5. Signing.

classified as follows:

1. Cooperation with law enforcement agencies: RI's National Police and RI's Attorney's office;
2. Cooperation with supervisory authority of the financial industry (Regulator), such as Bank Indonesia/Financial Service Authority
3. Cooperation with agencies which have investigative authority, such as Directorate General of Customs and Excise, Directorate General of Taxes, Ministry of Forestry, and the Anti-Corruption Commission;
4. Other institutions, such as research institutes, non-governmental organizations (NGOs) and universities.

Cooperation between INTRAC and law enforcement agencies such as the police and attorney's general office, National Drug Enforcement Board (Badan Narkotika Nasional) are basically carried out in regards to conduct its duty and authority that are stipulated on the Anti Money Laundering Law and in accordance with the laws and regulations that apply. In this case, the connection of INTRAC's cooperation with the police and prosecutors is conducted in regards for investigations and prosecution for money laundering. According to Article 44 and 64 of the Anti Money Laundering Law, investigator receive an Intelligence from INTRAC.

President Regulation No. 50 of 2011 mentions the scope of cooperation between INTRAC with the police including cooperation in form of:

- a. Analysis of financial transaction reports received by INTRAC;
- b. The request and transfer of information in order to investigate money laundering;
- c. Education and training; and
- d. Other matters that will jointly decided with INTRAC.

Several Head of INTRAC among other No.PER-10/1.02.1/PATK04/11 on Application of the Secure Online Communication, No.PER-08/1.02/PPATK/05/13 on information request to INTRAC and No. PER-09/1.02/PPATK/06/13 on Guidelines in Implementing Secured Online Communication, gives specific details about the scope of its cooperation between INTRAC and its partner agencies and its technicalities..

Cooperation with agencies which have the authority to investigate

has been outlined in the beginning by giving an example of cooperation between INTRAC and Corruption Eradication Commission. Cooperation only within a scope of exchanging information related to the duties and enforcement and authority of each institution.

Cooperation between INTRAC and other institutions, such as research institutions, non-governmental organizations (NGOs) and universities focused on cooperation in the development of scientific studies in various fields related to the prevention and eradication of money laundering as well as the implementation of its socialization on the implementation and development of anti-money laundering regime. Additionally INTRAC provides broad opportunity for these institutions to provide information for INTRAC as materials to be analyzed on. In this case, the exchange of information is one-sided, INTRAC only accept but do not give away its information.

In addition to the classification, cooperation done by INTRAC along with other agencies can be viewed from another aspect, such as a form prevention of money laundering. In this case, the cooperation that is done is aimed to strengthen any system to prevent and combat money laundering. For example, to improve government's system of bureaucracy which could lead to make people corrupt. This includes efforts to improve efforts to improve the budget system. Helping effective internal control in government agencies, such as assisting the inspector general of the department. Preventive action also includes government's efforts to assist internal auditor as the Financial and Development Supervisory Board (Badan Pengawasan Keuangan dan Pembangunan) and the Supreme Audit Board (Badan Pemeriksa Keuangan) in the execution of their duties.

This includes preventive actions is through cooperation with Financial Service Authority. This cooperation related not only in the exchange of information, but also involves the exchange of staff, audit compliance of Reporting Party and regulations in regard to Reporting Party, especially related to provisions of KYC Know Your Customer or Customer Due Diligence (CDD) or Know Your Client.

The agreement with another State's FIU commonly uses the standardised agreement form provided by Egmont Group,¹⁹ one of the um-

¹⁹ Extensive information about Egmont Group can be found at www.egmontgroup.org

rella organisations from the Financial Intelligent Unit.²⁰ Based on the Statement of Purpose from Egmont Group,²¹ participating FIUs in Egmont Group are willing to support coordination among them in order to combat the money laundering and terrorism funding.

In elaboration from the discourse of building the efficient and effective coordination, Egmont Group attempts to take some measures, among others:

- a. Focussing on the communication within the members, to exchange information, and to provide some training;
- b. Providing forum for FIU from all over the world in order to improve the support to the government of each state aiming to combat the money laundering, terrorism financing, and other financial crimes;
- c. To extend and build system on international coordination in the form of exchanging the information of the financial intelligent;
- d. To improve FIU effectiveness by supplying the training and exchanging personnel to develop their ability and expertise;
- e. These supports also consist of the extending financial intelligent information exchange, developing each FIU personnel ability and capability, and assisting the development of a better and secured communication among the FIUs with technology application, i.e. developing and utilising Egmont Secured Web (ESW) application;
- f. Promoting the establishment of FIU in some jurisdiction which does not have the program or at the early development stage of anti-money laundering and terrorism funding national programs.

The format of coordination to exchange information among the FIUs is approved in document of *Principles of Information Exchange between Financial Intelligence Unit*.²² Basically, it affirms that the international coordination among the FIUs shall be mutual trust in nature.

²⁰ The Indonesian terminology for FIU is Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK). The main duties of FIU are to receive information, to conduct analysis and to forward it to the law enforcement instrument. PPATK is a FIU plus as PPATK have some additional duties, such as to pass new regulations in a reference form to financial institutions, to conduct audit, and to assist and to give some brief thought and recommendation to the government.

²¹ See IMF&World Bank Group, 2004, *Financial Intelligent Unit An Overview*, IMF&World Bank Group, Washington DC, p. 96.

²² Ibid, p. 110.

The FIUs shall be able to exchange information for free based on the reciprocity principle or the mutual agreement as well. Moreover, this measure demands a consistent and agreed procedure while asking or inquiring the information. Besides, it is recognized that the giving of information shall be spontaneous. Generally, the principles of information exchange are mentioned therein.

- a. The requesting FIU shall provide its reason and the purpose of inquiring the information. In this context, the exchange of information between FIU can only be used in special purpose, i.e. in order to enforce the law;
- b. The requesting FIU is prohibited to give the information obtained from the requested FIU to the third party, without prior consent from the requested FIU;
- c. In addition, all information given by another FIU shall have direct supervision and protection in its utilisation until it is ensured that the information is used by the authorised official appropriately.
- d. Coordination Period

Basically, the commencement and the termination of a coordination period based on the MoU signing shall be determined clearly. But, it depends on the consent of both parties and is likely to be extended. The clause that commonly used in the MoU between PPATK and the related institutions is that the MoU shall enter into force since the day of signature and be reviewed if it needs to do so.

IV. COORDINATION IMPLEMENTATION

In order to make the coordination effective, until March 2014, PPATK has signed 70 Memorandum of Understanding with domestic institutions and 48 foreign FIUs. Specifically, the institutions and foreign FIUs whom PPATK has been entered into agreement with are among others:

1. Bank Indonesia (Indonesia Central Bank)
2. Indonesia Financial Services Authority (Otoritas Jasa Keuangan)
3. Directorate General of Taxes
4. Directorate General of Customs and Excise
5. Indonesian National Police

6. Attorney General of Indonesia
7. Corruption Eradication Commission
8. Ministry of Forestry
9. Centre for International Forestry Research (CIFOR)
10. The Supreme Audit Board of Republic of Indonesia
11. Inspectorate General of Ministry of Finance
12. Judicial Commission
13. Directorate General of Law Administration Ministry of Justice and Human Rights
14. Directorate General of Immigration Ministry of Justice and Human Rights
15. Financial Development Controller
16. National Narcotics Agency
17. Local Government of Nanggroe Aceh Darussalam (NAD)
18. Universitas Surabaya (Ubaya)
19. Sekolah Tinggi Ilmu Ekonomi Perbanas (STIE Perbanas)
20. Universitas Gadjah Mada
21. Election Monitoring Agency (Bawaslu)
22. Commodity Futures Trading Regulatory Agency (Bappebti)
23. Univeristas Soedirman Purwokerto
24. National Land Authority (BPN)
25. Universitas Andalas
26. Directorate General Post and Telecommunication (Ditjen Postel)
27. Deposit Insurance Institution (LPS)
28. Universitas Muhammadiyah Surakarta
29. University of Indonesia
30. University Padjadjaran

Coordination by MoU agreement with foreign FIU, among others:

- | | |
|--------------------|------------------------------------|
| 1. FIU Thailand | 8. FIU Belgium |
| 2. FIU Malaysia | 9. FIU Spain |
| 3. FIU South Korea | 10. FIU Poland |
| 4. FIU Australia | 11. FIU Peru |
| 5. FIU Philippines | 12. FIU People's Republic of China |
| 6. FIU Rumania | 13. FIU Mexico |
| 7. FIU Italy | 14. FIU Canada |

- | | |
|-----------------------|----------------------------------|
| 15. FIU Myanmar | 25. FIU Croatia |
| 16. FIU South Africa | 26. FIU Moldova |
| 17. FIU Cayman Island | 27. FIU United States of America |
| 18. FIU Japan | 28. FIU Brunei Darussalam |
| 19. FIU Bermuda | 29. FIU Bangladesh |
| 20. FIU Mauritius | 30. FIU Senegal |
| 21. FIU New Zealand | 31. FIU Sri Langka |
| 22. FIU Turkey | 32. FIU Singapore |
| 23. FIU Finland | 33. FIU Timor Leste |
| 24. FIU Georgia | 34. FIU United Kingdom |

From January 2013 to January 2014²³ INTRAC or PPATK have submitted totally 2491 intelligence or financial analysis report to the law enforcement agency such as to Indonesian National Police Attorney General of Republic of Indonesia, Anti Corruption Agency, Direktorat General for Taxation, National Drug Enforcement Board, Director General for Customs and Excise . The reports are dominated by corruption cases. Beside of analysis reports, INTRAC/PPATK is also requested for information inquiry from national level of law enforcement bodies and foreign FIUs as well. From January 2013 to January 2014 The information exchanging with the foreign Financial Intelligence Unit was 667 times.

According to INTRAC, from 2005 to December 2013, there are 105 cases of money laundering have been convicted by Indonesia judiciary with the maximum penalty 17 years imprisonment and fine 15 billion Rupiah.

In order to strengthen the exchanging information effectiveness, there are some measures taken, such as joint training and socialization, cases development coordination, and joint cases investigation. A special task force was established to overcome with the most significant cases impacting the state's financial losses.

The coordination by personnel exchange was done by placing staffs of Indonesia National Police, General Attorney, Ministry of Justice and Human Rights, Indonesia Financial Services Authority, The Audit Board

²³ Statistically update from PPATK can be accessed at <http://www.ppatk.go.id>

of Republic of Indonesia, Ministry for Administrative and Bureaucratic Reforms, and Bandung Institute of Technology (ITB) as assigned staffs at PPATK. Those assigned staffs help and facilitate PPATK duties and authorities and also strengthen the coordination between PPATK and its partner agencies.

Meanwhile, the coordination with the financial industry regulator has been built up progressively by exchanging information to give some consideration about imposition of sanction for non compliance by Reporting Party and also to draw up regulations related to financial industry in prevention and eradication of money laundering crimes. The regulations passed on are:

- a. Bank Indonesia regulation No. 14/27/PBI/2012 dated 28 December 2012 concerning Commercial Banks Anti-Money Laundering and Terrorism Funding Prevention Programs.
- b. Minister of Finance Regulation No. 74/PMK.012/2006 dated 31 August 2006 concerning Implementation of Know-Your-Customer Principles for Non-Bank Financial Institutions
- c. Decision of Chairman of Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) No. KEP-313/BL/2007 dated 28 Augustus 2007 concerning Know Your Client Principles (Implemented) by Financial Service Providers in Capital Market Area (known as Regulation V.D.10).

All of those implementing regulations still valid pending new implementing regulations by new Regulator Financial Service Authority.

Beside the aforementioned cooperation, the collaboration between related institutions was also made by the establishment of Prevention and Eradication of Money-Laundering Committee Vice Coordinating Minister of Economics, and PPATK Secretary as its chairman board. This committee members consist of Minister of Foreign Affairs, Minister of Justice and Human Rights, Minister of Finance, Indonesian National Police Chief, Attorney General, head of the State Intelligence Agency, and Governor of Bank Indonesia.

This committee is in charge to cooperate and to evaluate the efforts to prevent and eradicate money laundering and terrorism funding. It makes report the development and recommend the President as well about the

policy to overcome with the money-laundering and terrorism funding program. Article 92 of Anti Money Laundering Law provide legal basis for establishing the Committee. Then, this committee was established by President Regulation No. 6 Of 2012. The outcome of this committee results positively in implementing the National Strategy of Prevention and Eradication of Money Laundering and Terrorist Financing.

V. CONCLUSION

The developing existence of anti-money laundering regime by involving various components results in an abundant numbers of coordination and cooperation. It matters that there should be a real action to actually get the duties and functions done from parties involved in the regime. The regime is actually a built-up system so if there is a loophole in one of the aspect, the whole system will not work properly and effectively. The loopholes may give some chances for the money-laundering perpetrators to act extensively.

The cooperation done by PPATK is actually based on the framework made itself which are regulated under legislatives explicitly as well as implicitly. The making of MoU also strengthens its path to actually get the same point of view for each party involved in the cooperation.

In the future, the cooperation perhaps could be extended, particularly to cope with the analysis result given by PPATK to the law enforcement bodies. It shall be noted about the minimum requirement in order to reach the desired result of cooperation conducted between the institutions. There must be, first, a mutual trust among the cooperating bodies, and also a two-way communication so that the transfer of information could complete each other necessity, and lastly, each institution shall support to aim its best endeavour for the best result. The other important aspects are coequal spirit, commitment, and mission. The need of cross-institutions cooperation is a logic consequence of the existence of law enforcement bodies and its complementary such as PPATK which as the same aim to ensure the rule of law. Finally, we must believe that only by excellent and effective cooperation we can prevent and eradicate predicate crimes, money laundering crime and terrorist financing crime.

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