

## Reporting of Banking Cash Transactions to Prevent Corruption Crimes Reviewed from Law Number 8 of 2010

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### ABSTRACT

Corruption is a serious threat to economic stability and government integrity, where cash transactions in the banking system are often used as a means of laundering money proceeds from crime. This study aims to analyze the regulation of cash transaction reporting in banking to prevent corruption and identify preventive measures. This study highlights and analyzes the implementation of Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes in the context of banking transactions. This study uses a normative juridical method with a literature approach, which examines primary and secondary legal materials to identify the effectiveness of banking regulations in preventing corruption. The results of the study show that the mechanism for reporting cash transactions by banks has been strictly regulated through PPATK, but there are still gaps in its implementation that allow corruption to still occur. The conclusion of this study emphasizes the importance of strengthening regulations and supervision of financial transactions, limiting the nominal amount of cash transactions, as well as more effective coordination between banking authorities and law enforcement agencies in eradicating corruption through the banking system. With stricter supervision, the transparency of financial transactions can be improved, thereby preventing the use of banking institutions as a means of laundering money from corruption.

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**Keywords:** cash transaction reporting; banking; corruption crimes; money laundering; legal regulation

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### INTRODUCTION

Indonesia is a State of Law, not a State of Power. As soon as the constitution exists, we explain what is in one of its articles. As a country of law, everyone certainly has the same rights and obligations before the law (Hadi, 2022). Both rich and poor, men, women, officials, and ordinary people. (*Equality before the law*). Therefore, if an official or law officer commits an act that is contrary to the law, the official must be punished in accordance with the legal regulations that have been set by the State. Because the law is produced not only to order a few people in this country, but also to order the entire society without exception, the law creates justice for all Indonesian people (Hudaya, 2017).

Departing from Indonesia as a country of law, with the aim of creating order, justice and welfare for all people, it is appropriate that the Government produces various kinds of laws/regulations related to the prevention and eradication of corruption, so that the prosperity of this country is not only enjoyed by a handful of greedy officials/rulers, but can be enjoyed by all people from the western tip of Indonesia to the eastern tip of Indonesia (La Ode Faiki, 2020).

Based on the Understanding of Article 2 of Law No. 31 of 1999 as amended in Law No. 20 of 2001 concerning Amendments to Law No. 31 of 1999 concerning Corruption, that corruption is an unlawful act with the intention of enriching oneself or another person

(individual or corporation) that can harm the country's finances or economy, so that the elements that must be met in order for an act to be considered as corruption are: 1) unlawfully; 2) enrich yourself or others; and 3) can be detrimental to the country's finances or economy (Yusni, 2020). A deep understanding and a strong and consistent commitment to the principles and spirit of nationality in the life of society, nation and state are needed based on Pancasila and the 1945 Constitution abbreviated as the 1945 Constitution. Chairman of the Corruption Eradication Commission, Antasari Azhar at that time, emphasized that Pancasila is actually a source of anti-corruption value. The problem is that the direction of our ideology now is like at a crossroads, we are increasingly abandoning the values of local wisdom, which are capitalist values, so that someone is encouraged to act corrupt (Kasiyanto & SH, 2018).

Some criminal law and human rights experts in Indonesia emphasized that acts of corruption are not committed by any person, but by individuals who have access and authority to abuse their positions for personal gain. Harkristuti Harkrisnowo stated that corruption occurs due to abuse of authority, taking opportunities, or using the means owned. On the contrary, Marella Buckley highlighted that corruption is an abuse of public office to obtain personal benefits illegally (Kenneth, 2024). This condition has resulted in an increase in corruption cases in terms of quality and quantity, thus hindering the achievement of national development goals. Research on corruption cases continues to be carried out to find effective solutions (Artadi & Dewi, 2024). In practice, corruption also occurs in the banking sector. The proceeds of corruption crimes are often disguised through cash transactions which are then used as a tool for money laundering. Money laundering itself is defined as the process of altering the proceeds of crime to appear legitimate through business activities, so that corruptors can hide traces of their crimes (Garnasih, 2016). This money laundering mechanism facilitates law enforcement, by shifting the focus from prosecuting perpetrators to confiscating the proceeds of criminal acts (Sutrisno, 2016).

In overcoming this, the role of the Financial Transaction Reporting and Analysis Center (PPATK) as a Financial Intelligence Unit is very vital. PPATK receives, analyzes, and forwards reports of suspicious financial transactions to law enforcement, supported by Law Number 15 of 2002 and Law Number 8 of 2010 which ensure its independence and accountability through periodic reports to the President and the House of Representatives (Zaki, 2022). Banking institutions themselves face risks as intermediaries for money laundering through products such as savings, deposits, and transfer services (Watkati et al., 2023). It is also important to relax banks' secrecy obligations in the interest of the state, especially for the fight against corruption and the prevention of money laundering (Adrian Sutedi, 2023).

This study aims to analyze the regulation in the reporting of banking cash transactions to prevent corruption crimes and identify efforts made in preventing corruption crimes through cash transactions in banks. Theoretically, this research is expected to contribute to the development of legal science, especially in the field of Criminal Law which has a significant impact on economic stability in Indonesia. By understanding the mechanism of reporting cash transactions in banks, this research can provide deeper academic insights into applicable regulations and their implications in preventing corruption. Practically, this research is useful in adding knowledge and insight for authors and readers regarding effective cash transaction reporting governance in preventing corrupt practices, especially in the context of the implementation of Law Number 8 of 2010 concerning the Prevention and Eradication of

Money Laundering Crimes. Thus, this research can be a reference for academics, legal practitioners, and banking authorities in strengthening the financial transaction supervision system to support transparency and accountability in the banking system in Indonesia.

## METHOD

In this study, the author uses the normative Juridical method or literature research. Literature research means that this research is carried out by reading works related to the problem to be studied according to the study of the research. This research was conducted on books or literature materials, laws and other regulations relevant to the object of this research (Roni Efendi, 2021).

Normative Law Literature Research, which is meant by normative law is to change the situation (*ex ante*) and through the analysis of positive legal materials and offering solutions to concrete societal problems (Purwati, 2022). This means admitting to the legal norms contained in the Law. The reference is the provisions of Law Number 8 of 2010 challenging the Prevention and Eradication of Money Laundering Crimes, Law Number 32 of 1948 and other laws related to Corruption and Cash Transaction Reporting.

In this study, the data sources used primary and secondary data in the form of:

- a. Primary Legal Materials, namely legal materials in this case Law Number 8 of 2010, other laws and government regulations or other provisions that apply and relate to this research;
- b. Secondary legal materials, namely legal books, journals, research reports, legal scientific articles, seminar materials, and others;
- c. In addition, it also uses tertiary legal materials, namely materials that provide instructions and even explanations for primary and secondary materials such as dictionaries and encyclopedias.

In writing this thesis, the author conducts secondary data collection techniques to obtain a theoretical basis through the opinions of experts, through literature research. Some of the ways that are done are by collecting various literature related to this research in the form of empirical data sourced from law books, journals, reports and other literature that supports this research. Then classify books, documents, then cite and complete with data sources that will complete this thesis.

The data processing technique carried out in this study is qualitative data processing, qualitative research methods can explain a problem and describe solutions in depth and systematically. This method provides free space for researchers to continue to find out/investigate the problem being studied (Disemadi, 2022). Qualitative data is processing data that is textual, such as texts in law books, laws and regulations in this study, and court decisions. The data analysis in this study through existing facts is associated with existing legal theories.

The data analysis technique carried out in this study is a qualitative method that emphasizes the truth based on existing legal sources and doctrines. After that, the results of the data analysis are systematically compiled to obtain results in research to answer problems by conducting descriptive research.

## RESULTS AND DISCUSSION

### Banking Cash Transaction Reporting Arrangements to Prevent Corruption

The function of law is basically to regulate and limit various kinds of community activities in order to form a safe, orderly and fair order. The normative function (legal regulation) aims to provide guidelines for individual actors and society to be in accordance with legal values and norms, so that they can coexist harmoniously, prevent conflicts and ensure the protection of the rights of each individual. Regulations are regulating things that are agreed to be obeyed together, therefore, rules are formed based on the majority of community agreements or desired ideal conditions (Thahir et al., 2024).

The law functions to regulate various things, including in relation to cash transactions in banking, so that various rules are needed in terms of preventing criminal acts, Regulations regarding Cash Transactions are carried out to improve the efficiency of financial transactions that are faster, sophisticated and safer, increase the role of banking in the economy and improve the system to prevent and eradicate criminal acts (Putri & Hapsari, 2020).

In Indonesia, corruption is classified as *an extraordinary crime*. In the general explanation of Law Number 30 of 2002 concerning the Corruption Eradication Commission, corruption is said to have brought disaster to the life of the national economy, violations of social rights, and many other basic rights of society. For this reason, in addition to the need for qualified law enforcers, it is necessary to provide a legal umbrella that can support the effectiveness of corruption eradication. There are at least seven parameters so that corruption is declared an extraordinary crime. First, the impact of victimization is very wide and multidimensional. Second, the delicacy is transnational, organized, and supported by modern technology in the field of communication and informatics. Third, the offense is a predicate crime of money laundering. Fourth, the offense requires a special criminal procedural legal regulation. Fifth, the offense requires special law enforcement support institutions with broad authority. Sixth, the offense is based on an international convention which is a treaty-based crime. Seventh, the offense is *super mala perse* (very evil and reprehensible) and is highly condemned by the people (*people condemnation*) both nationally and internationally.

### Efforts to Prevent Corruption Crimes Carried Out Through Banking Cash Transactions

Mahfud M.D., when he served as the Chief Justice of the Constitutional Court of the Republic of Indonesia in 2011, once proposed one of the efforts or alternatives to tackle/eradicate corruption crimes in Indonesia through the "whitening" of corruption cases in Indonesia is to sever past relationships, so as not to hinder the eradication of corruption in the future. According to Mahfud M.D., the idea of combating corruption in Indonesia through "whitening" is considered a rather revolutionary step, and if it is not done, law enforcement in the corruption eradication sector will always be in jeopardy. He also stated that if there is no end to past relationships, it will be more difficult to eradicate corruption. And efforts to whiten corruption cases need to carefully take into account the type of corruption that will be carried out, as well as when the right time to carry out the whitening.

Marzuki Alie, when he served as Deputy Chairman of the House of Representatives of the Republic of Indonesia (DPR-RI) in 2011, on one occasion proposed the need for three measures to eradicate corruption in Indonesia. If these three moves are carried out, Marzuki Alie is confident that in five years Indonesia will be clean of corruption. These three moves are the first move to "whitewash" all corruption cases that have existed in the past. Early whitening

in the sense of forgiving the perpetrators of corruption in the past, asking for all corruption proceeds deposited abroad to be returned to the country by being taxed, where the funds from corruption returned to the state can later be used for infestation or moving the wheels of the economy. According to Marzuki Alie, efforts to eradicate corruption through this "whitening" must be carried out so that the government and law enforcement are not burdened by crimes in the past.

The second move is to make regulations regarding financial transactions where it needs to be regulated so that all financial transactions above Rp 1,000,000 (one million rupiah) must be carried out through banking, and must not be done in cash. If someone buys land, a motorcycle, or a car, all those transactions must be done through the bank. Banking transactions are necessary for financial transparency that can be accounted for. In addition, this is done so that supervision from the Financial Transaction Reporting and Analysis Center (PPATK) can be carried out optimally. The third move is to conduct reverse proof for the perpetrators of corruption crimes, which need to be regulated in anti-corruption laws and regulations.

Both concepts/ideas/ideas/thoughts/from Moh. Mahfud M.D., and Marzuki Alie in an effort to eradicate corruption in Indonesia that has been octopus, if implemented, will certainly face a considerable and diverse response or challenge. However, the concepts/ideas/ideas/thoughts of the two figures are still needed as an alternative to efforts to eradicate corruption in Indonesia, which still needs to be studied in depth if it is to be applied (Nugroho, 2019).

Corruption prevention is not a new thing in the study of corruption eradication. This term is often matched with other terms that are no less important, namely the eradication of criminal acts. Corruption has a central position in the narrative of corruption eradication in every country, including Indonesia. Jeremy Pope places the prevention of corruption by emphasizing the national integrity system which is influenced by several variables, for example: the political will of the government, an independent anti-corruption body, press freedom and professionalism, and an impartial judicial system.

Normatively, corruption prevention is mentioned in Article 6 of the KPK Law in Article 6 which emphasizes that the KPK is tasked with carrying out preventive measures so that corruption crimes do not occur. Then in Article 7 of the a quo- regulation emphasizes that, in order to carry out such prevention, the KPK is authorized to: a) register and examine the wealth report of state administrators. b) receive reports and establish gratuity status. c) Organizing anti-corruption education programs at every level of education. d) planning and implementing socialization programs for the eradication of corruption. e) Carry out anti-corruption campaigns to the community. f) Conducting bilateral or multilateral cooperation in the eradication of corruption.

The character of corruption prevention is also related to Law No. 28 of 1999 concerning Clean and Free State Administrators of Collusion, Corruption and Nepotism (KKN). In the a quo regulation, it is implicitly emphasized that in order to prevent corruption, it is necessary to adopt the general principle of good state governance, which is a principle that upholds the norms of morality, propriety, and legal norms, to realize a clean and free state administrator from Corruption, Collusion and Nepotism (Satria, 2020). Effective prevention of money

laundering crimes requires a comprehensive approach and strong coordination between various government agencies as well as the private sector.

Based on the United Nations Convention Against Corruption, 2003. In chapter ii about preventive measures, in article 5 explaining policies and practices for preventing corruption, paragraphs 1 to 5 are explained as follows:

1. States parties are obliged to, in accordance with the basic principles of their legal systems, develop and implement or maintain effective and coordinated anti-corruption policies that increase public participation and reflect the principles of law enforcement, good management of public affairs and public property, integrity, transparency and accountability.
2. States parties are obliged to strive to establish and improve effective practices for the purpose of preventing corruption.
3. States parties are obliged to periodically evaluate legal instruments and related administrative measures to be adequate to prevent and eradicate corruption.
4. The State party is obliged to, if deemed necessary and in accordance with the basic principles of its legal system. In cooperation with other States parties and with relevant international and regional organizations to enhance and develop the efforts referred to in this article, such cooperation may include participation and international programs and projects aimed at the prevention of corruption (Naibaho & Purwoto, 2016).

To obscure the results of corruption, the perpetrators usually commit money laundering, in terms of preventing money laundering crimes, PPATK also plays a role in efforts to prevent and counter money laundering crimes, and its roles are as follows:

1. Prevention of money laundering crimes by PPATK

The steps and policies taken by PPATK in the context of preventing money laundering crimes according to Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes are as follows: 1) collecting, storing, analyzing and evaluating the data obtained by PPATK; 2) Monitor records in the list of exceptions made by financial services; 3) Making a report on the procedure for reporting suspicious financial transactions; 4) provide advice and assistance to the authorized agencies regarding the information obtained by PPATK; 5) Issue guidelines and publications to financial service providers on obligations determined by law; 6) Provide recommendations to the government regarding efforts to prevent and eradicate money laundering crimes; 7) public campaigns to foster public awareness and understanding so that the community as the main stakeholder of this regime has sufficient information; 8) domestic cooperation and international network development;

2. Countermeasures against money laundering crimes by PPATK

The steps and policies taken by PPATK in the context of countering money laundering crimes according to Law number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, are as follows: 1) PPATK collects and analyzes financial transaction information obtained by PPATK from financial service providers. 2) Report the results of the analysis of financial transactions that indicate money laundering crimes to the police and prosecutor's office. 3) Prepare and provide reports on the results of analysis of financial transactions and other activities periodically (six) months to the President, the House of Representatives, and institutions authorized to supervise financial service

providers. 4) providing information to the public about institutional performance, as a form of accountability to the public.

In enforcing the law on money laundering, PPATK must coordinate with the Police, the Prosecutor's Office, and other agencies that have a decisive role in carrying out law enforcement efforts in the field of crime. The role of PPATK in law enforcement on alleged money laundering crimes is as an analyst. This PPATK analyst can act as an expert witness in the money laundering trial to provide the results of the intelligence analysis obtained (Rosikhu, 2020).

Corruption prevention efforts need to involve all parties, including banks, because banks can be used to store and launder money from corruption. The laws and regulations that have been formed have regulated, supported and mandated banks to prevent corruption. The role that can be carried out by banks to prevent corruption includes providing customer data that is indicated by corruption, preventing money laundering suspected of corruption, and applying the principle of recognizing bank service users (Puanandini, 2021).

Prevention of corruption in banking cash transactions requires the right steps, because cash transactions in banks can be a means of money laundering or for the storage of corruption proceeds.

## **CONCLUSION**

Based on the results of this study, it can be concluded that economic crimes in the form of financial crimes often lead to money laundering, which is the result of various criminal acts, including corruption. One of the modes used in money laundering is through cash transactions in banks, which aims to obscure the origin of illegal funds. Therefore, strict legal regulations are needed in the supervision and reporting of cash transactions to prevent the abuse of the banking system in the practice of corruption. The Financial Transaction Reporting and Analysis Center (PPATK) and the Corruption Eradication Commission (KPK) have a crucial role in improving the transparency of financial transactions and ensuring that the legal system runs effectively to detect and prevent money laundering practices. The implementation of the cash transaction reporting system in banking not only aims to prevent corruption, but also to improve the efficiency and security of the financial system, as well as strengthen the contribution of the banking sector in supporting national economic stability.

In addition, efforts to prevent corruption through the supervision of cash transactions in banking can be carried out through various strategic steps, such as strict law enforcement, restrictions on cash transactions, and sanctions against corrupt actors. In its implementation, the eradication of corruption in Indonesia is carried out through coordination between the KPK, the Police, the Prosecutor's Office, and other related institutions that have authority in law enforcement in the financial sector. To ensure the effectiveness of prevention efforts, it is necessary to strengthen the banking supervision system, limit the nominal amount of cash transactions, and take stricter legal action against individuals or institutions that are proven to be involved in money laundering practices through the banking system. With this mechanism, it is hoped that the Indonesian banking system will be more transparent, accountable, and able to prevent and eradicate corruption more effectively.

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