

# MONEY LAUNDERING CRIME THROUGH E-MONEY TRANSACTIONS

Arifin Said Ritonga<sup>1\*</sup>, Triono Eddy<sup>2</sup>, Adi Mansar<sup>3</sup>

<sup>1, 2, 3</sup>Universitas Muhammadiyah Sumatera Utara, Indonesia

<sup>\*1</sup>email: [arifinsaidritongashikmh@gmail.com](mailto:arifinsaidritongashikmh@gmail.com)

**Abstract:** Nowadays, the crime of money laundering is increasing in various fields, both in terms of intensity and sophistication. Almost every day, print and electronic media news reports on the crime of money laundering, especially those committed by officials, both central and regional, with the main crime being corruption. Although there are many other crimes, such as narcotics (drugs), terrorism, trafficking in women and children, arms trafficking and other crimes, in Article 2 of Law 8 of 2010 concerning the Crime of Money Laundering, there are 26 points of crime that can be charged with the crime of money laundering. In its development, the crime of money laundering is increasingly complex, crosses jurisdictional boundaries, and uses increasingly varied modes, utilizes institutions outside the financial system, and has even penetrated into various sectors. Regulation of suspicious financial transactions with a modus operandi during the pandemic still requires the role of law enforcement officers in the reporting system for money laundering crimes as the Reporting Party for suspicious financial transactions as regulated in Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, Government Regulation Number 61 of 2021 concerning Amendments to Regulation Number 43 of 2015 concerning the Reporting Party in the Prevention and Eradication of Money Laundering Crimes.

**Keywords:** Money Laundering, E-Money

## Introduction

Nowadays, the crime of money laundering is increasing in various fields, both in terms of intensity and sophistication. Almost every day, print and electronic media news reports on the crime of money laundering, especially those committed by officials, both central and regional, with the main crime being corruption. Although there are many other crimes, such as narcotics (drugs), terrorism, trafficking in women and children, arms trafficking and other crimes, in Article 2 of Law 8 of 2010 concerning the Crime of Money Laundering, there are 26 points of crime that can be charged with the crime of money laundering. In its development, the crime of money laundering is increasingly complex, crosses jurisdictional boundaries, and uses increasingly varied modes, utilizes institutions outside the financial system, and has even penetrated into various sectors.

Before explaining the definition of money laundering, first we will explain the development of crime and its relation to money laundering as one type of global crime. Today, crime is increasing in various fields, both in terms of intensity and sophistication. Likewise, its threat to world security. As a result, these crimes can hamper the progress of a country, both in terms of social, economic and cultural aspects (M. Arief, 2021).

## Literature Review

### 1. Money Laundering Crime

Based on Article 1 number 1 of Law Number 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering, Money Laundering is any act that fulfills the elements of a crime in accordance with the provisions of this Law. Based on Article 3 of Law Number 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering, any person who places, transfers, diverts, spends, pays, grants, deposits, takes abroad, changes the form, exchanges with currency or securities or other actions regarding Assets which he knows or reasonably suspects are the result of a criminal act as referred to in Article 2 paragraph (1) with the aim of hiding or disguising the origin of the Assets shall be punished for the crime of Money Laundering with a maximum prison sentence of 20 (twenty) years and a maximum fine of IDR 10,000,000,000.00 (ten billion rupiah).

In Indonesia, there is a financial institution that aims to keep the country's economy stable and is there for the community if needed, namely banking institutions. Banking has a product that is widely distributed among the community which is used to save money, namely accounts. Every community currently has an account that aims to make it easier to save money or make transactions electronically. However, accounts used by the community can be misused by certain individuals. Banking is also very vulnerable to organized crime so it is very strategic to be used. Organized crime usually hides behind a company or other name (nominees) by carrying out fake and large-scale international trade with the intention of transferring illegal money from one country to another. These bank accounts are traded online via social media. The bank accounts that are traded are often used as a place to store money from criminal acts such as fraud and gambling. This is related to indications of money laundering. The crime of money laundering is referred to as a crime that is dual and continuing (follow up crime), because the crime of money laundering is an act that is continued or continued from the original crime (predicate crime) where the perpetrator processes a large amount of illegal money from criminal acts into funds that appear clean or legal according to the law, using sophisticated, creative and complex methods. The crime of money laundering as a process or act that aims to hide or disguise the origin of a criminal act through activities of placing, transferring, diverting, spending, paying, granting, depositing, taking abroad, changing the form, exchanging with currency or securities obtained from the proceeds of criminal acts.

## Method

A study cannot be said to be research if it does not have a research method (Koto & Faisal 2021). The research method is a process of collecting and analyzing data that is carried out systematically, to achieve certain goals. Data collection and analysis is carried out naturally, both quantitatively and qualitatively, experimentally and non-experimentally, interactively and non-interactively (Koto, 2020). The research method used is normative juridical research, namely legal research conducted by examining literature or secondary data (Koto & Zainuddin 2022). In qualitative research, the process of obtaining data is in accordance with the research objectives or problems, studied in depth and with a holistic approach (Rahimah & Koto, 2022).

## Result and Discussion

The legal basis for the implementation of electronic money is regulated in Bank Indonesia Regulation Number 11/12/PBI/2009 dated 13 April 2009 concerning Electronic Money and Bank Indonesia Circular Letter No.11/11/DASP dated 13 April 2009 concerning Electronic Money. This then raises a question regarding the possibility of money laundering with the increase in electronic money transactions. The increasing development of crimes, even if reported to law enforcement, is often considered to be only the dark number of crime, namely

crimes that are not clear even though there are clear moral and material losses for other parties (Suhartoyo, 2019).

In combating money laundering, not only regulations are needed, but also special characteristics and starting points and eradication of economic crimes are needed, not only by eradicating the original crime but also by hunting down the proceeds of the crime. Therefore, in an effort to combat transnational crime, especially money laundering, the Indonesian government has officially become an observer at the Financial Action Task Force (FATF). FATF is an intergovernmental body whose purpose is to develop and promote various policies to combat money laundering and terrorism financing, both at the national and international levels.

Banking institutions are often used as a place for perpetrators of money laundering to store assets derived from the crimes they have committed. This condition is certainly very beneficial for money launderers to disguise the money from the proceeds of the crime. Electronic money is no longer visible in physical form, cannot be touched, but can be seen in data form. This type of money is also easily transferred from time to time, making it difficult for law enforcement to monitor and track. In addition to banking institutions, other financial service providers such as e-money or e-wallet organizers in this case are also often used as a means for perpetrators of money laundering to store assets derived from the crimes they have committed. In line with this, the Indonesian government through Bank Indonesia Regulation Number 16/8/PBI/2014 concerning Amendments to Bank Indonesia Regulation Number 11/12/PBI/2009 Concerning Electronic Money has set requirements regarding the provisions for the implementation of electronic money as support for government efforts in preventing money laundering such as nominal limits, types of exchange rates, and the application of the principle of knowing your customer.

There are two types of electronic money based on whether or not the holder's identity data is recorded by the Electronic Money issuer:

1. Registered Electronic Money is Electronic Money whose identity data of the holder is recorded/registered with the Electronic Money issuer. In this regard, the issuer must apply the principle of knowing the customer in issuing Registered Electronic Money. The maximum value of Electronic Money stored on the chip media or server for the registered type is IDR 5,000,000.00 (five million Rupiah).
2. Unregistered Electronic Money is Electronic Money whose identity data of the holder is not recorded/registered with the Electronic Money issuer. The maximum value of Electronic Money stored on the chip media or server for the unregistered type is IDR 1,000,000.00 (one million Rupiah).

The advantages of electronic money compared to traditional money are: using a card or device that can store very large amounts of funds, so it does not require a large place or container to carry it; easy to transfer anytime and anywhere with the help of the internet; and more difficult to track because it does not have a serial number. In addition, the technology in the electronic money transfer process makes it increasingly difficult to find out its origin. Money launderers can choose the loan back method, namely by borrowing their own money, using international trade transactions, cash smuggling, stock trading, certain investments, electronic transfers, and various other methods. Whatever method is used, all have one goal, namely to disguise the proceeds of their crimes, so that they appear halal and cannot be traced by the authorities. Although there are various ways to carry out money laundering practices, three methods can be recognized methodically, namely the buy and sell conversions method, the offshore conversion schemes method, and the legitimate business conversions schemes method.

In this case, the proceeds of crime are converted through transfers, checks, or other payment instruments which are then deposited in a bank account or withdrawn or transferred further to another bank account. The use of this method allows the perpetrator to run a business or work with his business partners and use the company's account as a place to store the proceeds of crime. Based on the description of the three money laundering methods above, it can be seen that every transaction carried out by individuals or companies, every form of business activity or accounts in banks can be used as a means to carry out money laundering activities. In the explanation of Article 23 Paragraph (1) Letter a of Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering, it is explained that Suspicious Financial Transactions.

Law enforcement against money laundering crimes is determined by the performance of Financial Service Providers, especially during a pandemic like this, Financial Service Providers should not only pursue the target of a large number of customers but must be trained to mediate suspicious transaction reports whose modes are very advanced. In this case, Financial Service Providers are prohibited from informing customers that their accounts are being investigated. The Financial Service Provider is required to provide information to law enforcement when requested, but on the other hand, they may not provide the results of the examination to customers.

### Conclusion

Regulation of suspicious financial transactions with a *modus operandi* during the pandemic still requires the role of law enforcement officers in the reporting system for money laundering crimes as the Reporting Party for suspicious financial transactions as regulated in Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, Government Regulation Number 61 of 2021 concerning Amendments to Regulation Number 43 of 2015 concerning the Reporting Party in the Prevention and Eradication of Money Laundering Crimes.

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