



Money Laundering Proceeds of Tax Crimes in the Perspective of the National Criminal Code: Strengthening Law Enforcement and Recovering State Losses

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ARTICLE INFO

Keywords:

Asset Recovery,
Corporate Liability,
Money Laundering,
National Penal Code,
Tax Crime.

Date received : 6 Juli 2026

Revision date: 3 Agustus 2026

Date publishehd : 15 September
2026

ABSTRACT

Tax-related crime has become one of the most serious threats to Indonesia's fiscal resilience, as it erodes state revenue and is frequently exploited as a predicate crime for money laundering through placement, layering, and integration schemes that increasingly cross jurisdictional borders. This study aims to analyze the legal arrangement of money laundering originating from tax crimes under the National Penal Code (Law Number 1 of 2023) and the Anti-Money Laundering Law (Law Number 8 of 2010), and to formulate strategies for strengthening law enforcement and state loss recovery. The research employs a normative-juridical method using statutory and conceptual approaches, with primary, secondary, and tertiary legal materials analyzed descriptively-analytically and concluded deductively. The results show that tax crime is explicitly positioned as a predicate offense, with core laundering provisions reformulated under the National Penal Code alongside corporate criminal liability and beneficial-owner accountability, though harmonization between the two regimes remains incomplete. Strengthening enforcement requires a follow-the-money paradigm oriented toward asset recovery, supported by inter-agency intelligence sharing among the Financial Transaction Reports and Analysis Center, the Directorate General of Taxes, the Attorney General's Office, and the Police. The study concludes that regulatory harmonization and prompt enactment of the Asset Forfeiture Bill are essential, and recommends future empirical research using comparative cross-jurisdictional case studies to measure asset recovery effectiveness.

INTRODUCTION

Tax crimes are one of the serious threats to Indonesia's fiscal resilience because they contribute to the erosion of state revenues and are often used as predicate crimes in money laundering practices. Data from the Financial Transaction Reporting and Analysis Center (PPATK) shows that the flow of illegal funds sourced from the tax sector tends to increase with increasingly complex placement, layering, and integration modes and cross-jurisdictions, thus demanding a more adaptive regulatory response.¹ Empirical findings also confirm that perpetrators use tax haven schemes, shell corporations, and crypto-based digital assets to disguise the origin of their illegal funds, making it difficult for officials to conduct asset tracing and asset recovery optimally.²

Theoretically, tax crimes have been recognized as the main predicate offense according to the recommendations of the Financial Action Task Force, although they have a distinctive character because they do not always generate new funds, but in the form of illegal tax savings enjoyed by the perpetrators.³⁴ The research gap can be seen from the lack of studies that comprehensively combine Law Number 1 of 2023 concerning the National Criminal Code with Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, especially on the aspect of recovering state losses in the tax sector. Previous studies tend to focus on the norms of the old Criminal Code or limited to criminal renewal of fines for corruption crimes without touching the dimension of tax money laundering in its entirety.⁵ The novelty of this research lies in the incorporation of the codification paradigm of the National Criminal Code which contains sanctions for categorical fines, corporate liability, and additional crimes of asset forfeiture with the follow the money mechanism in the Anti-Corruption Law as a new formulation to suppress tax crimes while returning state losses to the maximum.

Based on this description, the formulation of the problem proposed is, first, how to regulate money

laundering from tax crimes reviewed from the perspective of the National Criminal Code and the Anti-Corruption Law; second, how to strengthen law enforcement and recover state losses for money laundering crimes originating from tax crimes. The purpose of this study is to analyze the regulation of money laundering from tax crimes according to the National Criminal Code and the Anti-Corruption Law, as well as to formulate strategies to strengthen law enforcement and recover state losses in an integrated manner. The theoretical benefit of this research is to enrich the treasures of economic criminal law at the intersection between tax law, money laundering, and the renewal of the National Criminal Code. Its practical benefits are expected to be a reference for legislators, law enforcement officials, PPATK, and the Directorate General of Taxes in formulating effective, accountable, and equitable policies to optimize the recovery of state losses.

METHOD

This research uses a qualitative research method with a normative juridical type or also known as doctrinal law research, which emphasizes the study of written legal norms (*law in books*) as the main object of analysis. This approach was chosen because the issues raised are closely related to the regulation of money laundering from tax crimes in the realm of positive Indonesian law, so it requires a systematic review of legal principles, norms, and doctrines in a systematic, consistent, and prescriptive manner.⁶ The types of approaches used include a *statute approach* to examine the relationship between norms between Law Number 1 of 2023 concerning the National Criminal Code and Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, as well as a *conceptual approach* to examine doctrines and theories related to *predicate crime*, *follow the money*, corporate liability, and recovery of state losses.⁷

Data collection techniques are carried out through *library research* by collecting, classifying, and

¹ Saptono Saptono, Alwan Hadiyanto, and Ciptono Ciptono, "Juridical Analysis of the Development of Current Money Laundering Crimes as an Effort to Prevent It in Indonesia," *USM Law Review Journal* 7, no. 2 (2024): 622–33, <https://doi.org/10.26623/julr.v7i2.8899>.

² Yoga Sugama Ali Fhatnur, "The Dynamics and Strategies of Law Enforcement of Money Laundering in Indonesia," *Indonesian Journal of Law and Economics Review* 19, no. 2 (2024): 10–21070, <https://doi.org/10.21070/ijler.v19i2.1286>.

³ Deen Kemsley, Sean A Kemsley, and Frank T Morgan, "Tax evasion and money laundering: a complete framework," *Journal of Financial Crime* 29, no. 2 (2022): 589–602, <https://doi.org/10.1108/JFC-09-2020-0175>.

⁴ Deen Kemsley, Sean A Kemsley, and Frank T Morgan, "Tax evasion on lawful income: is it a form of money laundering?," *Journal of Financial*

Crime 31, no. 1 (2024): 33–43, <https://doi.org/10.1108/JFC-11-2022-0268>.

⁵ Muhammad Axel Putra and Ade Adhari, "Special Minimum Criminal Changes to Corruption Delinquency in Law of the Republic of Indonesia Number 1 of 2023 concerning the Criminal Code," *UNES Law Review* 6, no. 2 (2023): 4817–26, <https://review-unes.com/index.php/law/article/view/1306>.

⁶ Muammar Muammar and Iqbal Taufik, "Quo Vadis Legal Research: A Way to Straighten the Misconception of the Direction of Legal Research," *USM Law Review Journal* 7, no. 2 (2024): 634–57, <https://doi.org/10.26623/julr.v7i2.7917>.

⁷ Law of the Republic of Indonesia, "Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering," 2010, <https://peraturan.bpk.go.id/Details/38547/uu-no-8->

reviewing various relevant legal materials. Primary legal materials consist of Law Number 1 of 2023 concerning the National Criminal Code, Law Number 8 of 2010 concerning the TPPU Law, and related implementing regulations. Secondary legal materials include scientific literature from reputable national and international journals published in 2021 until now, books, results of previous research, and doctrines of economic criminal law experts.⁸ Tertiary legal materials include legal dictionaries, encyclopedias, and glossaries as support. The collected data is then analyzed qualitatively with descriptive-analytical techniques, and conclusions are drawn deductively to answer the formulation of the problem. This analysis method is considered relevant because it is able to produce a complete legal interpretation and policy recommendations that are applicable to strengthening the enforcement of money laundering laws in the tax sector.

RESULTS AND DISCUSSION

A. Regulation of Money Laundering from Tax Crimes in the Perspective of the National Criminal Code and the Anti-Corruption Law

The regulation of money laundering that originates from tax crimes in the Indonesian legal system is built through synergy between Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes and Law Number 1 of 2023 concerning the National Criminal Code. Article 2 paragraph (1) letter w of the Anti-Money Laundering Law explicitly places crime in the field of taxation as one of the *predicate crimes* that is the source of money laundering wealth. The formulation of the offense is essentially contained in Article 3 of the Anti-Corruption Law regarding the active act of placating, transferring, and changing the form of property resulting from crime, Article 4 regarding concealment and disguise the origin of property, and Article 5 concerning the passive act of receiving or controlling property that should be suspected of coming from a criminal act, with a maximum penalty of twenty years in prison and a fine of up to Rp10 billion.⁹

This provision is integrated with Article 43A and Article 44 of the KUP Law which gives the authority

of Civil Servant Investigators of the Directorate General of Taxes to investigate TPPU originating from tax crimes, especially the mode of issuance of fictitious tax invoices according to Article 39A of the KUP Law. From the point of view of the National Criminal Code which will take effect in January 2026, the crime of money laundering is reformulated in Article 607, while corporate liability is comprehensively regulated in Articles 45 to 50 which place corporations as subjects of independent criminal law, including *beneficial owners* as per Article 47. Furthermore, Articles 118 and 120 of the National Criminal Code regulate the principal crime in the form of a category fine and additional crimes in the form of asset confiscation and dissolution of corporations.¹⁰ The case of Gayus Tambunan and Asian Agri Group illustrates the mode of issuing fictitious tax invoices that continues at the layering stage *through third-party accounts abroad*. However, the synchronization between the two legal regimes has not been fully harmonious, especially regarding the shift in norms from the *lex specialis* of the Anti-Corruption Law towards the codification of the Criminal Code, so that it has the potential to cause overlap in interpretation and disparity in decisions among law enforcement officials.¹¹

B. Strengthening Law Enforcement and Recovering State Losses on TPPU Proceeds of Tax Crimes

Strengthening law enforcement for money laundering crimes based on tax crimes requires the implementation of a *follow the money paradigm* that shifts the focus from simply punishing the perpetrator (*follow the suspect*) to *asset recovery* as the main indicator of success. Data from the Directorate General of Taxes notes that in 2022 tax crime enforcement activities and anti-money laundering managed to recover around IDR 1.69 trillion in state losses, although this figure is still far from the potential for leakage due to fictitious tax invoice modes, *transfer pricing*, and *tax haven* schemes. The asset recovery mechanism is regulated in Articles 65 to 79 of the Anti-Corruption Law which includes the authority to block accounts, delay transactions, and confiscation of assets proven to be the proceeds of

⁸ Law of the Republic of Indonesia, "Law (Law) Number 1 of 2023 Criminal Code," 2023.

⁹ Duwi Handoko et al., "Criminal Law Reform Related to Money Laundering Crimes After the Enactment of Law Number 1 of 2023 concerning the Criminal Code," *Indonesian Legislation Journal* 21, no. 2 (2024): 250–66, <https://doi.org/10.54629/jli.v21i2.1175>.

¹⁰ Emmilia Rusdiana, "Fulfillment of the formulation and implementation of criminal law on tax violations for the achievement of the objectives of

tax laws and regulations," *Journal of Legal Voices* 4, no. 1 (2022): 39–61, <https://doi.org/10.26740/jsh.v4n1.p39-60>.

¹¹ Guntur Rambey, "Criminal Law Enforcement Against Money Laundering Crimes in the Field of Taxation," *Iuris Studia: Journal of Legal Studies* 3, no. 2 (2022): 184–92, <https://jurnal.bundamedia grup.co.id/index.php/iuris/article/view/247>.

crime. The instrument is strengthened by Articles 66 to 82 of the National Criminal Code which introduces a system of category I to VIII fines as well as additional crimes in the form of confiscation of certain goods and payment of compensation in accordance with Article 86. The existence of corporate liability according to Articles 45 to 50 of the National Criminal Code allows companies that enjoy profits from tax evasion to be charged with a maximum fine and additional penalties in the form of dissolution of the corporation.¹²

The Asian Agri Group case emphasizes the urgency of implementing *corporate criminal liability*, because the panel of judges not only imposed a fine of trillions of rupiah, but also required the payment of compensation for the tax losses incurred. The optimization of law enforcement requires cross-agency synergy between PPATK, the Directorate General of Taxes, the Attorney General's Office, and the Police through the exchange of financial intelligence data and the integrated use of the *Financial Intelligence Unit*.¹³ Strengthening global governance through the establishment of independent institutions that are free from the intervention of the interests of large countries is also a prerequisite for the effectiveness of cross-jurisdictional law enforcement against transnational financial crimes.¹⁴ In addition, the adoption of a *non-conviction-based asset forfeiture mechanism* and the ratification of the Asset Forfeiture Bill are considered crucial to strengthen the state's capacity to pursue assets across jurisdictions, close the gap in asset flight to *tax havens*, as well as realize the fundamental principle that crime must not bring financial benefits to the perpetrator or *crime does not pay*.¹⁵

CONCLUSION

The regulation of money laundering from tax crimes is built through the synergy of the Anti-Corruption Law and the National Criminal Code, where tax crimes are positioned as *predicate crimes* with the delicacies of *placement*, *layering*, and *integration* regulated in Articles 3-5 of the Anti-Corruption Law and reformulated in Article 607 of the National

Criminal Code, including *corporate criminal liability* and *beneficial owner*. Strengthening law enforcement emphasizes the *follow the money* and *asset recovery paradigm*, but the recovery of state losses is still far from the potential for real leakage. This research is *normative-juridical* so that it has limitations in the form of limited empirical data and case studies, with the implication of the need for regulatory harmonization to prevent disparities in legal interpretation between law enforcement agencies.

The government is advised to immediately pass the Asset Forfeiture Bill to strengthen the *non-conviction-based forfeiture mechanism* and close the loophole in the *tax haven scheme*. Institutional synergy between PPATK, the Directorate General of Taxes, the Attorney General's Office, and the Police needs to be improved through the exchange of *Financial Intelligence Unit* data in an integrated and *real-time manner*. The harmonization of norms between the Anti-Corruption Law as a *lex specialis* and the National Criminal Code as a general codification is also urgent so as not to cause overlapping interpretations. For further research, it is recommended to use an *empirical* approach with cross-jurisdictional comparative case studies to measure the effectiveness of *asset recovery implementation* in a more in-depth and measurable manner.

Acknowledgments (Optional)

Recognize those who helped in the research, especially funding supporter of your research. Include individuals who have assisted you in your study: Advisors, Financial supporters, or may other supporter i.e. Proof-readers, Typists, and Suppliers who may have given materials.

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¹⁴ Sabela Gayo, "The Urgency Of The Establishment Of A World Mediation Body At The United Nations (UN)," *International Asia Of Law*

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¹⁵ Salwa Zolkafli, Sharifah Nazatul Faiza Syed Mustapha Nazri, and Normah Omar, "Asset recovery practices in combating money laundering: evidence from FATF mutual evaluation report of FATF member countries of Asia pacific region," *Journal of Money Laundering Control* 26, no. 1 (2023): 24–34, <https://doi.org/10.1108/JMLC-12-2021-0135>.

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