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Money Laundering of Prostitution in the Perspective of the National Criminal Code: Between Criminal Policy and Social Protection

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ABSTRACT

This article analyzes the regulation of money laundering from prostitution from the perspective of the National Criminal Code, by highlighting the tension between repressive criminal policies and the need for social protection for victims of exploitation. The purpose of this study is to examine the extent to which Law Number 1 of 2023 concerning the Criminal Code and Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes regulate the relationship between moral offenses and money laundering offenses. This study uses normative legal methods with statutory and conceptual approaches, sourced from these two regulations and previous journal studies. The results of the study show that prostitution has been recognized as *a predicate crime* of money laundering through Article 607 of the National Criminal Code, but its application has not been integrated with Article 420 and Article 421 which regulate the delicacy of facilitating prostitution, so that enforcement tends to stop at personal perpetrators without reaching the financial flow of the proceeds of crime. In addition, the existing policy still lacks a social protection perspective for victims who are in unequal power relations. Therefore, it is necessary to harmonize regulations and strengthen victim protection mechanisms so that law enforcement against money laundering from prostitution runs fairly and comprehensively.

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INTRODUCTION

Prostitution is a socio-legal phenomenon that has long lived in Indonesian society, but its existence is now increasingly complex because it is intertwined with the flow of money from crime that is hidden behind seemingly legitimate business activities, such as massage businesses and entertainment services (Lestari & Antari, 2025). This practice no longer stops at moral issues alone, but has created a flow of illicit finances that has the potential to be laundered (*laundered*) through various economic instruments so that it appears to come from a legal source. Ironically, national criminal law has tended to view prostitution only as a moral offense based on Articles 296 and 506 of the old Criminal Code, without explicitly linking it to the criminal regime of money laundering (hereinafter referred to as *'TPPU'*) as stipulated in Law Number 8 of 2010 and the National Criminal Code, Law Number 1 of 2023 (Nurohim, 2025). In fact, the economic results of prostitution, whether enjoyed by pimps, business place managers, and the networks that accompany it, have great potential to be disguised in their origins through patterns *Investment*, *Layering*, and *Integration* which is characteristic of money laundering crimes (Nasution, Wulandari, Wahyuni, & Annisa, 2025).

A number of previous studies have made important contributions in mapping this problem, albeit from different perspectives. On the one hand, studies on the criminalization of prostitution have been quite developed, such as research (Kusumastuti & Qomarudin, 2023) which reviews criminal sanctions for perpetrators and pimps in cyber prostitution, as well as a study (Fathoni & Wahyudin, 2024) which highlights the limitations of norms in ensnaring pimps and prostitutes in online prostitution practices. The research also strengthens this finding by revealing the existence of a vacuum of norms for service users and the weak deterrent effect of criminal sanctions on the practice of prostitution under the guise of a massage service business. On the other hand, studies on anti-trafficking have also developed quite rapidly, for example, research that examines the application of money laundering criminal law based on court decisions, research (Adrian Sutedi, 2018) evaluating the effectiveness of TPPU sanctions through an approach *economic analysis of law*, as well as a comparative study comparing money laundering arrangements between the National Criminal Code and *Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act* Singapore.

Although the two groups of studies are equally substantial, they tend to run separately. Research on prostitution generally stops at the issue of criminalizing perpetrators and pimp without further tracing the economic flow of the proceeds of the crime, while the study of trafficking focuses more on *Predicate Crime* such as corruption, narcotics, and fraud, and has not specifically examined prostitution as a source of wealth that can be washed within the framework of the new National Criminal Code. Another limitation also appears in the lack of optimal approach *follow the money* in law enforcement practices in Indonesia, as highlighted by (Firdaus & Arifin, 2021), as well as the weak effectiveness of recovering assets from the crime that were stated (Yoserwan & Dias, 2023). This condition shows the existence of a scientific gap (*Research gap*) significant: there is no study that specifically analyzes money laundering from prostitution from the perspective of the National Criminal Code by bringing together two dimensions at once, namely criminal policy (*Criminal Policy*) as an instrument of social action and protection (*Social Protection*) as an instrument of prevention and recovery for those who are vulnerable to becoming victims of exploitation in the prostitution chain.

Based on these gaps, this article aims to fill the limitations of previous research by analyzing in depth how the National Criminal Code positions the proceeds of the crime of prostitution as the object of TPPU, as well as examining the extent to which the criminal policies built can be aligned with the needs of social protection for victims who are often trapped in exploitative power relations with pimps and service provider networks. The novelty of this research lies in the effort to bridge the two legal frameworks that have been running independently of the law of morality and the law of money laundering in one complete framework of analysis based on the National Criminal Code, while still considering the dimension of social justice for parties in a weak position, not merely a repressive approach oriented towards punishing the perpetrator.

The significance of the identification of issues and objectives of this research lies in the urgency of formulating criminal law policies that are not only retributive to perpetrators, but also responsive to the complexity of the illegal economy and the need for protection for vulnerable groups involved in the prostitution industry. Thus, this research is expected to make a theoretical contribution to the development of special criminal law, as well as practical recommendations for lawmakers and law enforcement officials in optimizing the implementation of the National Criminal Code in a more comprehensive and equitable manner.

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METHODS

This research uses a *normative legal research method* with a descriptive-analytical nature, which is an approach that examines law as a written norm to understand the systematic relationship between the provisions that regulate money laundering from prostitution within the framework of the National Criminal Code. The approaches used include the statute *approach*, which traces the hierarchy and consistency of norms of various related regulations, as well as a *conceptual approach* to dissect legal ideas such as *predicate crime*, *placement*, and *asset recovery* that are relevant to the topic of study.

The primary legal material in this study is sourced from two main regulations, namely Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes and Law Number 1 of 2023 concerning the Criminal Code (National Criminal Code), which is the main reference in analyzing the regulation of the proceeds of the crime of prostitution as an object of money laundering. The secondary legal material was obtained from previous scientific journal articles that discussed similar issues, especially studies on the approach *follow the money* and *follow the suspect* in the eradication of money laundering, as well as a conceptual analysis of the characteristics of the crime of money laundering as a follow-up crime (*Follow-up crime*) which depends on the original criminal act (Ginting, 2021).

The collected legal materials were then analyzed qualitatively through systematic and descriptive interpretation techniques, with the aim of producing a comprehensive understanding of the relevance between criminal policy and social protection in handling money laundering from prostitution.

RESULTS AND DISCUSSION

Prostitution as *a Predicate Crime* in the Framework of the National Criminal Code and the Anti-Corruption Law

A review of two main regulations shows that prostitution is explicitly placed as one of the *Predicate Crime* or criminal offenses of origin that can give birth to money laundering. This provision is contained both in Article 2 paragraph (1) letter u of Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, and in Article 607 paragraph (2) letter u of Law Number 1 of 2023 concerning the National Criminal Code, both of which expressly list prostitution as a source of wealth from crime that can be qualified as an object of money laundering (*Law of the Republic of Indonesia Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes*, 2010). Thus, the economic results of prostitution activities, both enjoyed by pimp and those who facilitate it normatively, have a legal basis to be charged as a crime of money laundering (*TPPU*), in line with the findings (Nasution et al., 2025) which confirms that the National Criminal Code integrates money laundering regulations into a single codification of the national criminal law in its entirety.

However, the relationship between moral offenses and money laundering offenses has not been integrated in practice. The National Criminal Code regulates the act of facilitating prostitution through Article 420, which substantially replaces Article 296 of the old Criminal Code, with a maximum penalty of two years in prison for anyone who links or facilitates another person to commit obscene acts. Article 421 then provides a one-third penalty if the act is done as a habit or to attract profits as a livelihood. Unfortunately, this formulation is still oriented towards taking action against the perpetrator personally, not touching the financial flows resulting from the practice, as highlighted by (Helmi, 2024) who found that the national legal regulation of prostitution is still unclear and more left to Regional Regulations, so that this gap has the potential to hinder the effective application of Article 607 of the National Criminal Code to the proceeds of prostitution crimes.

Criminal Policy on Money Laundering from Prostitution: Its Effectiveness and Limitations

In terms of criminal policy, Article 607 paragraph (1) of the National Criminal Code divides the act of money laundering into three forms, namely the act of actively placing or transferring the proceeds of crime, the act of concealing or disguising the origin of the property, and the act of receiving or controlling the proceeds of a criminal act, with the threat of imprisonment of up to fifteen years for the first two forms. This pattern is consistent with the process *Investment*, *Layering*, and *Integration* Explained (Daud et al., 2022) In his study of money laundering in the capital market, where illegal wealth is placed, layered through layered transactions, and then integrated into a seemingly legitimate financial system. A similar pattern is very likely to occur in the results of prostitution, considering that the income from the practice is often disguised through administratively legal service businesses (Kurniawan, Hadiyanto, & Ciptono, 2024).

The fundamental problem in the enforcement of this criminal policy lies in the weak sanctions against the main actors in the field.

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(Maulida, Syaufi, & Policy, 2025) concludes that the criminal law policy on prostitution in Indonesia is still ambiguous and has not touched the root of the problem comprehensively, so that more progressive legal reform is an urgent need. This condition is exacerbated by the fact that Article 5 of Law 8/2010 and Article 607 paragraph (1) letter c of the National Criminal Code, which regulates the recipient or ruler of the proceeds of crime, are only threatened with imprisonment for a maximum of five years, much lighter than active perpetrators. (Achmad, 2025) also emphasized the importance of the proportionality of sanctions against auxiliary perpetrators (*Accomplice*) in the TPPU, because the involvement of these parties is often an important link in disguising the proceeds of crime but goes unnoticed by law enforcement officials. In addition, (Primary, Archipelago, Articles, and Crimes, 2022) emphasizing that the effectiveness of criminal sanctions against money laundering should be assessed from the perspective of *economic analysis of law*, not solely from the severity of the punishment, because these crimes are fundamentally economically motivated so that conventional normative approaches do not always provide the optimal deterrent effect (*Law of the Republic of Indonesia Number 1 of 2023 concerning the Criminal Code*, 2023).

Social Protection as a Neglected Dimension in Handling Money Laundering Proceeds of Prostitution

The dimension of social protection in handling money laundering from prostitution is still an aspect that receives less attention than the repressive orientation alone. (Prince, 2024) found that society tends to stigmatize sex workers as immoral perpetrators, whereas for some of them, prostitution is a way out of economic limitations and access to education, so that a purely retributive approach has the potential to aggravate the position of victims who are actually vulnerable to becoming objects of exploitation by pimps and human trafficking syndicates. This is in line with Kurniawan's findings, (Kurniawan et al., 2024) which reveals the close link between the crime of trafficking in persons (*TPPO*) and money laundering, where the perpetrator's modus operandi often involves laundering exploited funds to disguise illegal sources of income, so that handling that only focuses on the criminal aspect without protection for victims risks repeating the cycle of exploitation.

A religious perspective also enriches the understanding of the prohibition of money laundering, as stated (Salsabilla & Wati, 2023) in studies *Fiqh Jinayah* which emphasizes that efforts to disguise the proceeds of crime to appear clean are a form of moral and legal violations that must be dealt with firmly, but still pay attention to the principle of justice for parties who are in an unequal power relationship. (Turmuzi, 2021) also reminded that the normative juridical approach to money laundering in Indonesia, as stipulated in Article 2 of Law 8/2010, needs to continue to be adjusted to the development of crime modes so as not only to stop at the prosecution of perpetrators, but also to support recovery for victims trapped in exploitative networks.

Based on the above description, it can be concluded that the criminal policy against money laundering from prostitution in the National Criminal Code has a fairly strong normative foundation through Article 607 and Article 608, but its implementation has not been fully integrated with the provisions on moral offenses in Article 420 and Article 421, and has not been balanced with an adequate social protection orientation for vulnerable groups involved in the prostitution chain.

CONCLUSION

This study shows that the National Criminal Code has placed prostitution as a *predicate crime* of money laundering through Article 607, but the regulation has not been fully integrated with the moral offenses in Article 420 and Article 421, so that enforcement tends to stop at personal perpetrators without reaching the economic flow of the proceeds of crime. The existing criminal policy is still retributively oriented and has not been balanced with a perspective of social protection for vulnerable groups in the prostitution chain. Therefore, harmonization between criminal law enforcement and social recovery approaches is needed so that the handling of money laundering resulting from prostitution does not only punish, but also protects victims of exploitation.

Lawmakers and law enforcement officials are advised to strengthen the synergy between Article 607 of the National Criminal Code and the provisions of the moral code so that the tracing of the flow of funds from prostitution can be carried out in an integrated, not separate, manner. In addition, it is necessary to develop a protection and recovery mechanism for victims who are in an unequal power relationship with pimps, so that future criminal policies are not only repressive, but also oriented towards restorative justice and *asset recovery* in favor of the victim.

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