International Asia Of Law and Money Laundering
Vol. 5 No.3 September 2026
https://doi.org/10.59712/iaml.v5i3.171

P-ISSN 2829-1654
E-ISSN 2829-517X

International Asia Of Law and Money Laundering

Money Laundering Proceeds of Forestry Crimes in the Perspective of the National Criminal Code: Follow the Money Approach

Mhd. Nasir Sitompul[1*]
[1]Faculty of Law, Universitas Muhammadiyah Sumatera Utara, Indonesia
: *mhd.nasir@umsu.ac.id*
Coresponding Author*

ARTICLE INFO

Keywords:
Crimes of Origin,
Follow the Money,
Forestry Crimes,
Money Laundering,
National Criminal Code.

Date received : 17 July 2026
Revision date: 12 August 2026
Date published : 17 September 2026

ABSTRACT

Forestry crimes such as *illegal logging* are often accompanied by *money laundering efforts* through the formal banking system to disguise the origin of the proceeds of crime. The enactment of Law Number 1 of 2023 concerning the National Criminal Code, which integrates money laundering provisions into the general criminal codification, raises academic urgency to examine the relevance of *the follow the money* approach to money laundering crimes originating from forestry crimes. This research aims to analyze legal arrangements, the application of *the follow the money approach*, and the obstacles to law enforcement after the enactment of the National Criminal Code. The research uses *a normative juridical* method with *a statute approach* and a conceptual approach, sourced from primary, secondary, and tertiary legal materials that are analyzed *descriptive-analytically*. The results of the study show that forestry is still maintained as a *predicate crime* in Article 2 paragraph (1) letter w of the TPPU Law and Article 607 paragraph (2) letter w of the National Criminal Code. The *follow the money approach* has proven to be effective in tracing the flow of funds from *illegal logging*, but its implementation is still hampered by sectoral egos, lack of transparency of *beneficial ownership*, and weak coordination between institutions such as PPATK, MoEF, and the police. It was concluded that the optimization of Article 607 and Article 608 of the National Criminal Code requires harmonious derivative regulations, strengthening the capacity of investigators, and institutional synergy so that the eradication of money laundering from forestry crimes runs effectively and sustainably.

P-ISSN 2829-1654
E-ISSN 2829-517X

INTRODUCTION

Forestry crimes, especially *illegal logging* or illegal logging, have long been a serious threat to environmental sustainability as well as the Indonesian economy. This practice does not stand alone, but is often followed by efforts by perpetrators to disguise the origin of wealth resulting from crime through the formal financial system, including the use of the banking sector to transfer these illegal funds. A number of institutions such as the Financial Transaction Reporting and Analysis Center (PPATK), law enforcement officials, and the Ministry of Environment and Forestry (MoEF) have been involved in handling money laundering crimes (TPPU) stemming from forestry crimes, although inter-agency coordination and the implementation of *a multi-door* approach still leave various obstacles on the ground.[1]

In order to reveal the flow of funds from the crimes, the *follow the money* approach is a key instrument that is explicitly regulated in Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes (TPPU Law). The special characteristics of TPPU as *a follow-up crime* make this approach cannot stand alone, but it needs to be combined with the *follow the suspect approach* so that the tracing of the assets resulting from the original crime or *predicate offence* can run optimally and produce stronger evidence in court.[2]

In terms of criminal procedural law, the application *of the concept of follow the money* also requires adjustments to the investigation mechanism to be able to reach cross-sector asset tracing, rather than simply focusing on proving the involvement of perpetrators. The discourse on the need for procedural law procedures that are more adaptive to the characteristics of money laundering as an asset-based crime shows that the effectiveness of anti-money laundering is highly dependent on the readiness of procedural instruments, not only on the availability of material norms.[3]

The dynamics of anti-money laundering regulation have become more complex after the issuance of Law Number 1 of 2023 concerning the National Criminal Code (National Criminal Code), which integrates some of the provisions on money laundering into the national criminal law codification while repealing several main articles of the Anti-Corruption Law. This transformation reflects a shift in the orientation of Indonesia's criminal law policy, from a specific arrangement to a consolidation of general criminal norms, thus creating an academic urgency to examine in depth how *the follow the money approach* can remain relevant and effectively applied to money laundering from forestry crimes within the framework of the new National Criminal Code.[4]

Based on the above background description, the formulation of the problem in this study is as follows: (1) How is the legal arrangement regarding money laundering from forestry crimes in the perspective of Law Number 8 of 2010 concerning TPPU and Law Number 1 of 2023 concerning the National Criminal Code?, (2) How is the follow *the money approach* applied in uncovering and tracing the flow of funds from forestry crimes in Indonesia?, (3) What are the obstacles faced by law enforcement officials in applying the *follow the money approach* to money laundering crimes originating from forestry crimes after the enactment of the National Criminal Code?

In line with the formulation of the problem, this study aims to: (1) Analyze the legal arrangements regarding money laundering from forestry crimes based on the Anti-Corruption Law and the National Criminal Code. (2) Examine the application of *the follow the money* approach in tracing the flow of funds from forestry crimes in Indonesia. (3) Identify law enforcement obstacles in the application of *the follow the money approach* to money laundering from forestry crimes after the enactment of the National Criminal Code.

This research is expected to provide benefits both theoretically and practically. Theoretically, the results of this research are expected to enrich the treasures of criminal law, especially related to the development of money laundering regulations from crimes originating from forestry crimes, as well as become academic reference material for similar legal research in the future. Practically, this research is expected to contribute ideas for law enforcement officials, policy makers, and related institutions such as PPATK and KLHK in optimizing the implementation of *the follow the money approach* to eradicate money laundering

[1] *Diva Yohana Margaretha Marbun et al., "The Application of the Anti-Money Laundering System in Handling Illegal Logging Cases," Journal of the Axis of Padjadjaran Law 4, no. 2 (2023): 197–220, https://doi.org/10.23920/jphp.v4i2.1226.*
[2] *Yuni Priskila Ginting, "Eradicating Money Laundering with a Follow the Money and Follow the Suspect Approach," Mulawarman Law Review 6, no. 2 (2021): 105–14, https://doi.org/10.30872/mulrev.v6i2.442.*
[3] *Annas Firdaus and Ridwan Arifin, "The Discourse of Procedural Criminal Law on Follow the Money Concept in Indonesian Anti-Money Laundering Act," IJCLS (Indonesian Journal of Criminal Law Studies) 6, no. 1 (2021): 93–104, https://doi.org/10.15294/ijcls.v6i1.30726.*
[4] *Rahma Sari Nasution et al., "Comparative Law of Money Laundering in the Perspective of Indonesia and Singapore," Indonesian Journal of Criminal Law 2, no. 2 (2025), https://journal.asperhupiki.id/index.php/jhpi/article/view/39.*

P-ISSN 2829-1654
E-ISSN 2829-517X

from forestry crimes more effectively within the framework of the National Criminal Code.

METHOD

This research was prepared using *a normative legal research method*, which is a study that focuses its analysis on written legal norms and rules as the main object of discussion, not on testing empirical data in the field. The selection of this method is based on the character of the problem studied, namely how the legal regulation regarding money laundering from forestry crimes is understood and applied through the perspective of the National Criminal Code, so that the focus of the research is more appropriately directed to tracing the consistency of applicable legal norms and doctrines, as is commonly done in the tradition of doctrinal law research in Indonesia.[5]

The approach used in this study includes a *statute approach* or a legislative approach, by examining Law Number 8 of 2010 concerning TPPU and Law Number 1 of 2023 concerning the National Criminal Code, as well as a conceptual approach to understand the principle of *follow the money* through the views of legal experts. The legal materials collected consist of primary legal materials in the form of laws and regulations, secondary legal materials in the form of books, scientific journals, and previous research results, as well as tertiary legal materials to support the understanding of legal terms. The collection of legal materials is carried out through literature studies, then analyzed qualitatively with descriptive-analytical techniques to produce systematic and argumentative descriptions.[6]

RESULTS AND DISCUSSION

Legal Regulation of Money Laundering Proceeds of Forestry Crimes in the Perspective of the Anti-Money Laundering Law and the National Criminal Code

Forestry crimes that generate financial benefits cannot be separated from the legal framework of money laundering that applies in Indonesia. Based on Article 2 paragraph (1) letter w of Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crimes, wealth obtained from criminal acts in the forestry sector is explicitly categorized as the result of criminal acts that can become the object of money laundering.[7] Understanding the basic concept of money laundering is important before examining its application to the forestry sector, considering that the act of concealing or disguising the origin of wealth so that it appears to be legally obtained is the essence of this crime which is always closely related to the original criminal act.[8] Thus, without the existence of forestry crimes as *a predicate crime*, there will be no money laundering that can be prosecuted on the basis of the proceeds of the crime.

The transformation of money laundering regulations has become more evident after the promulgation of Law Number 1 of 2023 concerning the National Criminal Code, which through Article 607 integrates the crime of money laundering into the codification of general criminal law, including maintaining forestry as one of the original criminal acts as stipulated in Article 607 paragraph (2) letter w.[9] The consolidation of this norm does not abolish the institutional authority that has been formed previously, as shown by the Constitutional Court's decision that expands the authority of the Forestry Civil Servant Investigator to participate in investigating money laundering cases originating from the forestry sector.[10] The expansion of authority emphasizes that the handling of money laundering from forestry crimes is cross-institutional and does not depend only on conventional investigators in the field of money laundering.

Application of the *Follow the Money* Approach in Tracking the Flow of Funds from Forestry Crime

The *follow the money approach* is essentially a strategy that shifts the focus of law enforcement from simply pursuing perpetrators to tracing the flow of assets suspected of originating from crime, so that it is considered more strategic because it is able to reveal the network of perpetrators and the location

[5] *Tunggul Ansari Setia Negara, "Normative legal research in Indonesia: Its originis and approaches," Audito Comparative Law Journal (ACLJ) 4, no. 1 (2023): 1–9, https://doi.org/10.22219/aclj.v4i1.24855.*
[6] *Sari Yulis, "Legal research methodology as a framework for analyzing contemporary legal issues," Locus Journal of Academic Literature Review 4, no. 9 (2025): 808–18, https://doi.org/10.56128/ljoalr.v4i9.800.*
[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-.*
[8] *Yurizal, "The Crime of Money Laundering in Indonesia: Money Laundering," in MNC Publishing, 2021, https://books.google.co.id/books?id=cH5JEAAAQBAJ.*
[9] *Law of the Republic of Indonesia, "Law (Law) Number 1 of 2023 Criminal Code," 2023.*
[10] *Annisa Rasiqah et al., "The Challenge of Granting Authority for Investigators of Civil Servant Officials (PPNS) of Forestry in the Crime of Money Laundering," Delicti : Journal of Criminal Law and Criminology 1, no. 2 (2023): 15–25, https://doi.org/10.25077/delicti.v.1.i.2.p.15-25.2023.*

 P-ISSN 2829-1654
E-ISSN 2829-517X

of hiding assets.[11] In the context of forestry crime, the application of this approach has special urgency because the practice *of illegal logging* is generally followed by a complex money laundering modus operandi, ranging from the placement of funds through third-party accounts to the layering of transactions to obscure the origin of funds from illegal logging. An eradication model that combines a normative juridical approach with tracing financial flows is seen as more potential to return state losses than an approach that only targets actors in the field.[12]

The effectiveness of the *follow the money approach* is also evident in its ability to uncover the conceptual construction of environmental-based financial crime or *Green Financial Crime*, which is formed through the interaction between the normative foundations of the crime of origin, the practice of categorization of financial intelligence, and the mapping of structural risks in the national risk assessment system.[13] Comparison with environmental law enforcement practices in other countries also provides an idea that environmental crimes, including forestry, tend to be a lucrative source of illegal income for cross-border organized crime networks, thus requiring an integrated approach to financial tracing with cooperation between countries. [14] Thus, the application of *follow the money* to forestry crimes in Indonesia cannot stand alone, but must be supported by synergy between institutions and an understanding of crime typologies that continue to develop.

Obstacles to Law Enforcement in the Implementation of the *Follow the Money Approach* After the Enactment of the National Criminal Code

Although conceptually the *follow the money* approach is considered effective, its implementation in the field still faces various structural obstacles. One of the fundamental problems lies in the dominance of sectoral law enforcement and the limited transparency of *beneficial ownership*, which causes the tracing of funds from environmental crimes, including forestry, into the natural resource supply chain to be non-optimal.[15] This obstacle is exacerbated by the weak coordination between law enforcement agencies in the field, as found in the practice of handling money laundering in the forestry sector involving the Forestry PPNS, the police, and PPATK, where differences in perception between agencies often hinder the implementation *of the multi-door* approach to the maximum.[16]

Another obstacle that is no less significant is the limited experience and capacity of investigators in handling environmental and forestry cases, which causes the implementation of anti-money laundering measures to not run optimally even though the potential for losses due to environmental crimes is very large globally.[17] This condition shows that the success of the *follow the money approach* after the enactment of the National Criminal Code is highly dependent on strengthening the understanding of law enforcement officials regarding the special characteristics of money laundering, including a basic understanding that there will be no money laundering without the crime that precedes it.[18] Therefore, the integration of money laundering provisions into the National Criminal Code through Article 607 and Article 608 should ideally be followed by strengthening institutional capacity, harmonizing derivative regulations, and increasing cross-sector cooperation so that *the follow the money* approach can be applied consistently and sustainably to money laundering from forestry crimes in Indonesia.

CONCLUSION

The regulation of money laundering from forestry crimes has been consistently contained in the Anti-Corruption Law and the National Criminal Code, with forestry still maintained as the original criminal act. The *follow the money approach* has proven to be

[11] *Khilmatin Maulidah and Ratna Kumala Sari, "The Urgency of the Follow the Money Approach in Law Enforcement Efforts against Money Laundering Resulting from Corruption," Sapientia and Virtus 9, no. 2 (2024): 446–60, https://doi.org/10.37477/sev.v9i2.539.*

[12] *Fitri Setiyani Dwiarti et al., "Eradication of Illegal Logging Through a Money Laundering Approach," KeadilaN Journal of the Faculty of Law, Tulang Bawang University 21, no. 1 (2023): 25–36, https://doi.org/10.37090/keadilan.v21i1.749.*

[13] *Budi Saiful Haris, "Added Value and Challenges of the Follow-the-Money Approach in Environmental Crimes," AML/CFT Journal: The Journal of Anti Money Laundering and Countering the Financing of Terrorism 02, no. 02 (2024): 111–25, https://doi.org/10.59593/amlcft.2024.v2i2.71.*

[14] *K Clark, "Environmental Crime in the United States: Law and Enforcement," in Routledge, Taylor & Francis Group, Environmental Crime in the United States: Law and Enforcement, 2024, https://books.google.co.id/books?id=zXZx0AEACAAJ.*

[15] *Chantikamutiara Luke and Tian Terina, "Green Financial Crime in the Indonesian TPPU Regime: A Juridical Analysis of the Follow The Money Approach of Sang Bumi Ruwa Jurai University Lampung Introduction In the framework of global governance oriented towards sustainable development, the ideal legal system," Dictum: Journal of Law 14, no. 1 (2026): 70–96, https://doi.org/10.24905/diktum.v8i2.325.*

[16] *Rasiqah et al., "The Challenge of Granting Authority for Investigators of Civil Servant Officials (PPNS) of Forestry in Money Laundering."*

[17] *Haris, "Added Value and Challenges of the Follow-the-Money Approach in Environmental Crimes."*

[18] *Yurizal, "The Crime of Money Laundering in Indonesia: Money Laundering."*

P-ISSN 2829-1654
E-ISSN 2829-517X

strategic in tracing the flow of illegal funds from illegal logging, but its implementation in the field is still hampered by sectoral egos, lack of transparency of *beneficial ownership*, and weak coordination between law enforcement agencies handling this case. The government and law enforcement officials need to immediately draft harmonious derivative regulations so that Article 607 and Article 608 of the National Criminal Code can be applied optimally. In addition, strengthening the capacity of investigators, institutional synergy between PPATK, MoEF, and the police, and increasing transparency of beneficial ownership are needed to optimize the *follow the money* approach in eradicating money laundering from forestry crimes in a sustainable manner.

Acknowledgments

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.

REFERENCES

Clark, K. "Environmental Crime in the United States: Law and Enforcement." In *Routledge, Taylor & Francis Group*. Environmental Crime in the United States: Law and Enforcement, 2024. https://books.google.co.id/books?id=zXZx0AEACAAJ.

Dwiarti, Fitri Setiyani, Tulang Bawang University, Bainal Huri, Tulang Bawang University, and Illegal Logging. "Eradicating Illegal Logging Through a Money Laundering Approach." *KeadilaN Journal of the Faculty of Law, Tulang Bawang* University 21, no. 1 (2023): 25–36. https://doi.org/10.37090/keadilan.v21i1.749.

Firdaus, Annas, and Ridwan Arifin. "The Discourse of Procedural Criminal Law on Follow the Money Concept in Indonesian Anti-Money Laundering Act." *IJCLS (Indonesian Journal of Criminal Law Studies)* 6, no. 1 (2021): 93–104. https://doi.org/10.15294/ijcls.v6i1.30726.

Ginting, Yuni Priskila. "Eradicating Money Laundering with a Follow the Money and Follow the Suspect Approach." *Mulawarman Law Review* 6, no. 2 (2021): 105–14. https://doi.org/10.30872/mulrev.v6i2.442.

Haris, Budi Saiful. "Added Value and Challenges of the Follow-the-Money Approach in Environmental Crimes." *AML/CFT Journal: The Journal of Anti Money Laundering and Countering the Financing of Terrorism* 02, no. 02 (2024): 111–25. https://doi.org/10.59593/amlcft.2024.v2i2.71.

Luke, Chantikamutiara, and Tian Terina. "Green Financial Crime in Indonesia's TPPU Regime: A Juridical Analysis of the Follow The Money Approach of Sang Bumi Ruwa Jurai University Lampung Introduction In the framework of global governance oriented towards sustainable development, the ideal legal system." *Dictum: Journal of Law* 14, no. 1 (2026): 70–96. https://doi.org/10.24905/diktum.v8i2.325.

Marbun, Diva Yohana Margaretha, Fikri Triandhika, Gita Mega Andriani Pasaribu, and Wanodyo Sulistyani. "The Application of an Anti-Money Laundering System in Handling Illegal Logging Cases." *Journal of the Padjadjaran Legal Axis* 4, no. 2 (2023): 197–220. https://doi.org/10.23920/jphp.v4i2.1226.

Maulidah, Khilmatin, and Ratna Kumala Sari. "The Urgency of the Follow the Money Approach in Law Enforcement Efforts against Money Laundering Resulting from Corruption." *Sapientia et Virtus* 9, no. 2 (2024): 446–60. https://doi.org/10.37477/sev.v9i2.539.

Nasution, Rahma Sari, Riska Wulandari, Deaf Wahyuni, and Febrina Annisa. "Legal Comparison of Money Laundering Crimes in the Perspective of Indonesia and Singapore." *Indonesian Journal of Criminal Law* 2, no. 2 (2025). https://journal.asperhupiki.id/index.php/jhpi/article/view/39.

Negara, Tunggul Ansari Setia. "Normative legal research in Indonesia: Its originis and approaches." *Audito Comparative Law Journal (ACLJ)* 4, no. 1 (2023): 1–9. https://doi.org/10.22219/aclj.v4i1.24855.

Rasiqah, Annisa, Forestry and, Plantation Number, Kpts-ii Concerning Appointment, Forest Areas, and In Regions. "The Challenge of Granting Authority for Investigators of West Sumatra Forestry Civil Servant Officials (PPNS) in Money Laundering Crimes." *Delicti: Journal of Criminal Law and Criminology* 1, no. 2 (2023): 15–25. https://doi.org/10.25077/delicti.v.1.i.2.p.15-25.2023.

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

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-.

Yulis, Sari. "Legal research methodology as a framework for analyzing contemporary legal

P-ISSN 2829-1654
E-ISSN 2829-517X

issues." *Locus Journal of Academic Literature Review* 4, no. 9 (2025): 808–18. https://doi.org/10.56128/ljoalr.v4i9.800.

Yurizal. "Money Laundering Crime in Indonesia: Money Laundering." In *MNC Publishing*, 2021. https://books.google.co.id/books?id=cH5JEAAAQBAJ.