



NATIONAL STRATEGY

PREVENTION AND ERADICATION OF THE CRIME OF MONEY LAUNDERING IN INDONESIA

FISCAL YEAR 2007 - 2011

Jakarta, March 2007

**REMARKS OF THE COORDINATING MINISTER IN POLITICAL,
LAW AND SECURITY AFFAIRS OF THE REPUBLIC OF INDONESIA,
AS THE CHAIRMAN OF THE NATIONAL COORDINATING
COMMITTEE OF THE PREVENTION AND ERADICATION OF THE
CRIME OF MONEY LAUNDERING (*KOMITE TPPU*)**

Assalamualaikum Warahmatullahi wabarakatuh.

There is no suitable word that can be said in inaugurating our good faith other than saying gratitude to the One Almighty God for God's mercy and guidance to all of us.

Along with the fifth anniversary of the enactment of Law Number 15 Year 2002 concerning the Crime of Money laundering as amended by Law Number 25 Year 2003 (Anti Money Laundering Law), we thank that we all have been successful in designing the National Strategy on the Prevention and Eradication of the Crime of Money Laundering in Indonesia, fiscal year 2007-2011. This National Strategy shall be national policies that are formulated by Government of the Republic of Indonesia as directions and framework on the development of Indonesian Anti Money Laundering Regime within next five years period of time.

We all consider that there is an immediate need for us to be able to get the National Strategy for Indonesian Anti Money Laundering Regime. As from its establishment in 2002, the development of Indonesian Anti Money Laundering Regime tended to be focused on short-term programs oriented with the needs occurred at that time. Nevertheless, we all recognize that policies directions made and progresses achieved have created constructive basis for the development of anti money laundering regime in the future successfully.

The prevention and eradication of the crime of money laundering shall not only be responsibility of certain institution, but it depends on all elements of the nation of Indonesia. This National Strategy is developed based on measures conducted by all parties in the support of the prevention and eradication of the crime of money laundering sistematically, and shall reach targeted objectives. It is expected that this National Strategy can be a reference of performance for all parties, in which finally able to generate concrete and actual achievements by establishing synergy completely and developing resources possessed by the nation of Indonesia.

This National Strategy shall be a joint agreement of all components of the Nation. The implementation of this National Strategy requires commitments and measured actions and good coordination between

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relevant government institutions, financial institutions and non bank financial institutions, and public. We, as a representative of the government, have great expectations especially against parties who have authority on policies related with measures determined in this National Strategy to be able to immediately implement actual actions to make our good faith happens in the prevention and eradication of the crime of money laundering in Indonesia.

If we do not have serious attention on this matter, then it must have been positive that Indonesia will have catastrophes in economy nationally and extensively, Indonesia will be set aside by international community. We all do not expected that this will happen against our beloved the State and Nation of Indonesia. The key words on this are our ***commitment*** and ***seriousness***.

Hopefully the One Almighty God will always give God's mercy and blessing to all of us. Amien.

Jakarta, 17 April 2007

The Coordinating Ministry in Political, Law and Security Affairs
The Republic of Indonesia, as the Chairman of the National Coordinating
Committee on Anti Money Laundering

Widodo A.S

INTRODUCTION

The 2007-2011 National Strategy on the Prevention and Eradication of the Crime of Money Laundering in Indonesia (hereinafter referred to as "the National Strategy") shall be national policies developed by Government of the Republic of Indonesia, that is used as policies directions and framework on the developement of Anti Money Laundering Regime in Indonesia for next five year periode of time.

A formulation of this National Strategy shall be an immediate need for the development of Anti Money Laundering Regime in Indonesia, considering as from its establishment in 2002, the development of Indonesian Anti Money Laundering Regime tended to be focused on short-term programs for one fiscal year period so that it was oriented with the needs occurred at that time. Nevertheless, we all recognize that policies directions made and progresses achieved have created constructive basis for the development of anti money laundering regime in the future successfully.

During last four years, policy directions and development of Anti Money Laundering Regime in Indonesia were focused on five main pillars as follows:

First, Laws and regulation, Law Enforcement and Implementation of Special Protection for Witnesses and Reporting Parties.

Second, Compliance of Providers of Financial Services (PFS), and Analysis and Submission of the Results of Analysis made from Suspicious Transaction Reports (STRs).

Third, Information and Technology System and Human Resources.

Four, Domestic Cooperation and Development of International Network, and

Fifth, Public campaign for the establishment of Public Awareness and Understanding.

The Strengthening of *first pillar* is intended to develop constructive legal framework and laws and regulation, which can create certainty and clarity on Anti Money Laundering Regime so that it shall ease its enforcement process as well as the implementation of special protection for witnesses and reporting parties.

Second pillar is intended to generate a circumstance that provides supports to PFS and other institutions in understanding their roles and obligation within Anti Money Laundering Regime in Indonesia, particularly their reporting obligation as sources of analysis conducted by PPATK. From results of analysis, it is expected that a qualified conclusion can be

obtained so that it may assist law enforcers in conducting law enforcement optimally.

Third pillar, is particularly intended to provide integrated and secured information infrastructure and global communication, and to generate dedicated, competent and high honorable human resources in which at the end it may make Anti Money Laundering Regime effective and efficient. The Strengthening of Information Technology System and Human Resources is intended that these infrastructures can be available sufficiently considering these are absolute requirements. The availability of resolute Information Technology will improve reporting process conducted by PFS to PPATK as well as processing of information obtained by PPATK. On the other side, the credibility of Anti Money Laundering Regime shall also depend on Human Resources who are competent, have knowledge and integrity. Information Technology System and Human Resources shall be main keys of Anti Money Laundering Regime in Indonesia that will determine the effectiveness of its implementation so that its development must be conducted efficiently and effectively, can be measured and structured based on its needs.

Four Pillar is intended to improve cooperation between domestic institutions and international networks to be able to establish inter-sectoral coordination effectively and efficiently. In addition, it is necessary to improve cooperation between Financial Intelligence Units (FIU) in order to be able to accelerate information exchange without sacrificing secrecy aspect.

Fifth Pillar is intended that society as main stakeholders of Anti Money Laundering Regime shall have sufficient information, knowledge and understanding so that it will generate constructive awareness either individually and collectively on the importance of effective Anti Money Laundering Regime in Indonesia. Public participation shall be excessive contribution that will establish the achievement in implementing this Regime.

As basis in the development of anti money laundering regime in Indonesia, fifth pillar was considered effective at that period, in particular if it was related with efforts of Indonesia to be delisting from NCCTs list (Non-Cooperative Countries and Territories List). In order to improve effectiveness of the implementation of anti money laundering regime, that fifth pillar is still relevant to be basis in determining STRATEGY in the future. Consequently, the National Strategy that is prepared for next 5 (five) years periode shall remain to use the fifth pillar as basis.

It must be noted that the National Strategy is not meant to serve as a "to-do list" that will solve every existing problem, but it is provided to identify current weaknesses which require representative actions at the Executive and/or Legislative level. Therefore, it is understood that the fundamental

steps suggested in the National Strategy would never materialize and produce any concrete result if it were to be implemented within limited areas and only by a single agency, however, its implementation is expected to be much more extensive than that, namely through a national policy, a law reform, financial resources allocation, and inter-agency cooperation, national or international alike, and the implementation of an extensive public campaign. Clearly, this Strategy requires a joint responsibility that the entire elements of Indonesian government must bear to implement stronger and more comprehensive anti-money laundering (AML) policies and laws.

As a way forward, this Strategy focuses upon several basic but necessary areas which could enhance Indonesia's efforts towards preventing and combating money laundering and predicate crimes. Therefore, the National Strategy recommends STRATEGYc steps in varied areas, namely:

- (i) the assignment of a single identity number to all Indonesian citizens to ease the prevention and eradication of criminal acts;
- (ii) to enact Draft Law on the Prevention and Eradication of the Crime of Money Laundering immediately so Indonesia will have a more comprehensive and effective AML Law which is compliant to international standards;
- (iii) the management of electronic database and the connectivity of related inter-agency database to make the flow of information needed by every institution can be met more quickly, thus the investigations of money laundering and other crimes are conducted more effective and efficiently;
- (iv) the improvement of supervision over compliance of providers of financial services in order that providers of financial services will have higher awareness in fulfilling its obligations as reporting parties;
- (v) the implementation of effective criminal and civil assets tracing and forfeiture to recover assets to the state optimally as well as to contribute significantly to the development of national economy;
- (vi) increased public participation through a public campaign to support the implementation of anti-money laundering regime in Indonesia, whereby this activity is expected to develop anti money laundering culture in society;
- (vii) the acceleration of ratification and harmonization of International Conventions, because the development of international cooperation and ratification of these conventions are very supportive and useful in dealing with money laundering and other crime acts in accordance with international standards; and

(viii) the strengthening of regulations on alternative remittance system (ARS) and wire transfer (WT). Regulations on ARS and WT currently are still not clear, while the development of trends of alternative remittance system and electronic transfers have started to be utilized significantly to transport money either into or outside territory of the country. A need to regulate and supervise ARS and WT shall be essential so that these will not be utilized for committing money laundering and terrorist financing.

In order to make the STRATEGYc steps in these various areas could materialize as planned; all related variables with significant influences must be considered thoroughly and must have formal procedures to ensure the accountability and measurable results.

INITIAL STEPS AS BASIC FOUNDATION

Over the last several years, the Government of Indonesia has progressively built law enforcement system and anti money laundering regime to identify, prevent and punish money launderers. These efforts were led by Indonesia's awareness to be accepted in the world community to participate actively and provide a real contribution to preserve and to maintain the stability of the world's financial system and economy.

If we take a few steps back to the previous years as background, international efforts to fight money laundering have been under way for more than 15 years. They were part of the war on narcotic and drugs, expanded to include the proceeds of most other serious crimes such as gambling, prostitution, and smuggling, and most recently have been included is to counter terrorist financing. As a response to these concerns of the international community, the Financial Action Task Force (FATF) on Money Laundering was established following the G-7 Summit in July 1989. By setting and promoting international standards for anti-money-laundering systems, and identifying and listing non-cooperative countries in the effort to counter money laundering globally, the Task Force seeks to limit the access of terrorists, narcotics traffickers, and other organized crimes into the international financial system.

The Task Force originally drew up 40 recommendations in 1990 to combat the misuse of the financial system by persons laundering proceeds of drugs trafficking. The recommendations provide a framework to fight money laundering, which then revised in the year 2003 and 2004 (40+9 Recommendations) added with 9 Special Recommendations to counter terrorist financing. Said FATF Recommendations suggest the changes to the criminal justice system and law enforcement, the financial system and its regulation, and actively participate in international co-operation to

combat money laundering crimes. For example, each country is expected to do the following:

1. Criminalizing the crime of money laundering;
2. Ensuring that financial institutions identify their clients (Know Your Customer) and maintain customers' records and accounts, and report suspicious transactions;
3. Monitoring the flow of money across its border; and
4. Co-operating with other countries to strengthen their efforts to combat money laundering.

For countries that did not comply and have strong anti-money laundering laws in place, FATF maintained a Non-Cooperative Countries and Territories list. This List was viewed as a "name and shame" list which warned other countries and international investors that the listed country lacked the infrastructure to guard against money laundering. From 2001 to 2005, Indonesia was placed on the NCCTs list by the FATF due to its lack of anti-money laundering law and other reasons.

In response, the Government of Indonesia began to enact anti money laundering law, develop policies and regulations, and supervisory policies against financial institutions and other measures in developing comprehensive Anti Money Laundering Regime to earn removal from this List. For example:

1. The enactment of Law Number 15/2002 concerning the Crime of Money Laundering as amended by Law Number 25/2003;
2. Creation and functioning of PPATK as Indonesia's financial intelligence unit;
3. Establishment of clear regulatory procedures for banks and other financial institutions to report suspicious transactions;
4. Establishment of the National Coordinating Committee to formulate policy directions of the development of anti money laundering regime.

Through committed efforts conducted by the Government, Parliament, other financial regulatory agencies and governmental institutions, Providers of Financial Services, private sectors and public, Indonesia was removed from the NCCT list in February 2005 and FATF ceased monitoring Indonesia the following year.

In the past year, Indonesia has taken additional steps to prevent and eradicate money laundering. Indonesia has done a tremendous number of things in this area, among others, Indonesia has:

1. ratified a number of UN Conventions, such as the UN Convention Against Corruption and International Convention for the Suppression of the Financing Terrorism 1999.
2. passed Law Number 1 Year 2006 concerning Mutual Legal Assistance and Law Number 13 Year 2006 concerning Protection for Witnesses and Victims;
3. been elected as Co-Chair of the Asian Pacific Group on Money Laundering (APG) together with Australia, and been entrusted as the host of APG Typologies Workshop 2006 and APG Special Plenary Meeting. APT is an FATF-style regional body for Asia Pacific countries; and
4. continued and extended socialization and training program for government agencies and financial institutions on the prevention and law enforcement of the crime of money laundering.

Thorough its hard work, Indonesia has gone from being seen as a financial "pariah nation" to being viewed as a leader in preventing and eradicating the crime of money laundering in Asia Pacific region.

NATIONAL STRATEGY

When the meeting of National Coordinating Committee on the Prevention and Eradication of the Crime of Money Laundering (*Komite TPPU*) was conducted on February 7, 2007 lead by the Coordinating Minister in Politic, Law and Security, it has been agreed that this National Strategy should focus on several main sectors, especially essential areas that are required to extend and improve the effectiveness of efforts conducted by Indonesia in the prevention and eradication of the crime of money laundering and its predicate crimes.

For that reason, *Komite TPPU* has recommended STRATEGYc steps in several sectors stipulated in National Strategy as follows:

- STRATEGY 1 : THE ASSIGNMENT OF A SINGLE IDENTITY NUMBER**

- STRATEGY 2 : THE COMPLETION OF DELIBERATION ON AML DRAFT LAW, IMPLEMENTATION REGULATIONS AND THE ENFORCEMENT**

- STRATEGY 3 : THE MANAGEMENT OF ELECTRONIC DATABASE AND THE CONNECTIVITY OF RELATED INTER-AGENCY DATABASE**

- STRATEGY 4 : THE IMPROVEMENT OF THE COMPLIANCE OVERSIGHT OF FINANCIAL SERVICE PROVIDER**

- STRATEGY 5 : THE IMPLEMENTATION OF EFFECTIVE ASSET FORFEITURE AND ASSET RECOVERY**

- STRATEGY 6 : INCREASED PUBLIC PARTICIPATION THROUGH A PUBLIC CAMPAIGN**

- STRATEGY 7 : IMPROVEMENT OF INTERNATIONAL COOPERATION**

- STRATEGY 8 : THE STRENGTHENING OF REGULATIONS ON ALTERNATIVE REMITTANCE SYSTEM AND WIRE TRANSFER**

STRATEGY 1

THE ASSIGNMENT OF A SINGLE IDENTITY NUMBER

I. Problems faced

It is not uncommon for an Indonesian citizen to have multiple identification data, each has a different identification number, from personal identity, such as citizen identity card (KTP) and driving license (SIM), transactional such as bank and insurance account, to spatial such as land certificate, building permit (IMB), etc. This is made worse with the fact that how "easy" it is to get more than one personal identity, such as KTP and SIM, which is obtainable in different areas.

Mudahnya memperoleh identitas personal tersebut dapat membuka The simplicity in obtaining personal identity can be misused to conduct a crime, particularly money laundering and acts to deceive competent authorities. Individuals can use these "false" identities to open bank accounts, to make transactions with financial or other industries, register a passport, and other important documents. Based on the report submitted by financial service providers to PPATK, these "false" identities are among the most predominantly used. Not to mention when linked to terrorist financing, the use of false identity is highly possible that make it difficult for law enforcers to trace and take actions.

II. Step/Strategy to take

In order to overcome the immense number of false identities, including the misuse of such identity, a Single Identity Number for every citizen is needed. Thus, there will be no individual having multiple personal identities. From KTP, SIM, health insurance, and others, all require only one single identity number.

Based on Article 13 paragraph 1 of Law No. 23 Year 2006 concerning Population Administration, it is governed that any citizen must have *Nomor Induk Kependudukan* (NIK) hereinafter in Article 13 paragraph 3 provides that this *Nomor Induk Kependudukan* shall be stated in each citizen document and shall be basis in issuing a Passport, Driving License, Tax Register Number, Insurance Policy, Land Title Certificate and the issuance of other documents.

Thus, Article 28 paragraphs 1 and 2 of Law No. 23 Year 2006 provide that population administration information management shall be

handled by the Minister of Home Affairs and shall be implemented thru *Sistem Informasi Administrasi Kependudukan* (SIAK).

In order to enforce this Law, there are steps/strategies that are being and will be conducted as the following:

1. Development of population database in District/City, Province and Center Government.
2. Endorsement of National NIK
3. Up-dating District/City population data
4. Up-dating KTP in order to implement KTP on the basis of national NIK
5. Development of data center and communication network of SIAK (*Sistem Informasi Administrasi Kependudukan*) data both in central government and regional government.
6. NIK Connection System Operation with relevant Ministries/Institutions for public service interest.

III. Strategy's Objective

The ownership of one single identity number will make it hard for an individual to conduct business or to make transactions with financial industry using "false identity." Therefore, the misuse of false identity for crime acts can be eliminated.

IV. Relevant Laws and Regulation

1. Law Number 9 Year 1992 concerning Immigration.
2. Law Number 16 Year 2000 concerning Second Amendment of Law Number 6 Year 1983 concerning Tax General Provisions and Procedure.
3. Law Number 12 Year 2006 concerning Nationality of the Republic of Indonesia.
4. Law Number 23 Year 2006 concerning Population Administration.

V. Institutions Involved

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Ministry of Home Affairs, Coordinating Ministry for Politics, Legal, and Security Affairs, Ministry of Finance, Ministry of State Apparatus Development, and Ministry of Law and Human Rights.

STRATEGY 2

THE COMPLETION OF DELIBERATION ON AML DRAFT LAW, IMPLEMENTATION REGULATIONS AND THE ENFORCEMENT

I. Problems faced

Domestically, current implementation of anti-money laundering regime still faces problems concerning AML Laws, such as limited efforts to detect money laundering crime, various interpretations on the formulation of regulatory norms that may result in "legal loop holes," limited formal instruments to trace and forfeit criminal and civil assets, as well as limited authority possessed by several institutions to enforce AML Law.

In contrast, viewed from international standpoint, there are needs to harmonize and adapt existing laws and regulations to those of international standard norms, namely the Revised 40+9 FATF Recommendation. There are still several norms from the recommendations that are not yet adopted into the Indonesian laws and regulations such as reporting obligations subject to profession and designated non-financial business. This will eventually become a heavier burden for Indonesia to bear especially related to the Mutual Evaluation that will be carried out by FATF/APG on the fourth trimester 2007 to identify Indonesia's degree of compliance to the FATF recommendations.

A Transcript of a draft of law concerning the Prevention and Eradication of the Crime of Money Laundering has been submitted by the President Susilo Bambang Yudhoyono to the Parliament on October 10, 2006. Parliament Plenary Meeting on February 27, 2007 has also provided an agreement to include a draft of law concerning the Prevention and Eradication of the Crime of Money Laundering into National Legislation Program for Fiscal Year 2007.

In general, scopes and directions of regulation stipulated in the draft of law shall include 5 (five) main areas as the following:

- a. Expansive detection of the crime of money laundering such as by expanding reporting parties and types of reports;
- b. Bring multi interpretation to an end or stop existing loopholes in prevailing anti money laundering law by improving a definition of a crime and provision on criminal justice proceedings of the crime of money laundering;
- c. Enhance scopes of law enforcers in handling the crime of money laundering such as by providing an authority to investigators of

the predicate crimes to also conduct investigation on the crime of money laundering;

- d. Re-arrange relation and authority from relevant parties in implementing anti money laundering regime, dan
- e. Institutional Strengthening of PPATK such as by providing an authority to conduct preliminary investigation, tracing and seizing assets derived from the crime in order to be forfeited for the state.

Discussions on this draft in the parliament must be able to work effectively. The enactment of this draft of law should be completed as soon as possible before FATF/APG "mutual evaluation" is conducted in IV quarter of 2007. If the enactment of this draft of law is delayed, then Indonesia may be considered as a country that partially complies with international standards in the prevention and eradication of the crime of money laundering.

Formulation of regulations that are mandated in (draft of) law must also be started immediately and completed so that said new law may be implemented completely and effectively.

II. Step/Strategy to take

1. Draft of Anti Money Laundering Law sent by the President of the Republic of Indonesia to the Parliament in October 2006 must immediately be discussed between government and parliament and be able to be enacted right away.
2. Implementing regulations that support the implementation of anti money laundering law must also be formulated at once, so that once new law is applicable, it can be implemented appropriately. Implementing regulations that must be immediately formulated in order to support the implementation of new law are:
 - a. Legal drafting of a Government Regulation concerning PPATK Human Resources Management;
 - b. Legal drafting of a Presidential Regulation concerning PPATK Organizational Structure and Working Procedure;
 - c. Legal drafting of a Joint Decree concerning Preliminary and Full Investigations Guideline of the Crime of Money Laundering; and
 - d. Legal Drafting of Regulation of the Head of PPATK concerning Reporting Guideline for New Reporting Parties (Profession and Designated Goods/Services Providers).

III. Strategy's Objective

The passage of the AML Draft Law is expected to provide Indonesia with more comprehensive AML Law, which not only accommodating international norms, but also satisfying domestic needs.

This is in accordance with objectives of the enactment of draft of law as the following: (i) to strengthen a commitment of the state of Indonesia to enforce anti money laundering regime; (ii) to support and improve effectiveness of law enforcement in the Prevention and Eradication of the Crime of Money Laundering and its predicate crimes; (iii) to provide constructive basis and facility to trace and seize the proceeds of crime so that it may create a shock therapy for criminals; (iv) to adjust domestic laws on the crime of money laundering with international standards that have changed and international best practice; and (v) to more improve public awareness either domestic and international on law enforcement in Indonesia, in particular money laundering cases.

IV. Relevant Laws and Regulation

1. Penal Code
2. Law No. 8 Year 1981 concerning Criminal Procedure Code.
3. Law No. 22 Year 1997 concerning Narcotic.
4. Law No. 5 Year 1997 concerning Phsyctropical substance.
5. Law No. 23 Year 1999 Concerning Bank Indonesia.
6. Law No. 24 Year 1999 concerning Exchange Flow and Foreign Exchange System.
7. Law No. 31 Year 1999 concerning Eradication of Corruption Crime as amended by Law No. 20 Year 2001.
8. Law No. 15 Year 2002 concerning the Crime of Money Laundering as amended by Law No.25 Year 2003.
9. Law No. 15 Year 2003 concerning Determination of Government Regulation in Lieu of Law (Perpu) No.1 Year 2002 concerning Eradication of the Crime of Terrorism to be the Law.
10. Law No. 1 Year 2006 concerning Mutual Legal Assistance in Criminal Matters.
11. Law No. 6 Year 2006 concerning Ratification of 1999 International Convention for the Suppression of the Financing of Terrorism, 1999.

12. Law No. 7 Year 2006 concerning Ratification of 2003 United Nations Convention Against Corruption.

13. Law No. 13 Year 2006 concerning Protection for Witnesses and Victims.

V. Institutions Involved

Ministry of Law and Human Rights, Ministry of Finance and PPATK.

STRATEGY 3

THE MANAGEMENT OF ELECTRONIC DATABASE AND THE CONNECTIVITY OF RELATED INTER-AGENCY DATABASE

I. Problems faced

To support the implementation of its tasks, each agency in Indonesia has definitely its own database. It is used not only to accomplish the agency's own tasks but in essential it is also useful to support the tasks accomplishment of other related agencies. It is no exception to the prevention and eradication of the crime of money laundering, whereby the related agency's database will provide a tremendous assistance to task accomplishment of others, such as PPATK, Indonesian National Police, the Attorney General Office of the Republic of Indonesia, KPK the Ministry of Home Affairs, Ministry of Finance, Ministry of Law and Human Rights, etc.

At present, an access to other agency's database can be acquired by request basis only, following a previously agreed Memorandum of Understanding (MoU). However, such procedure is deemed to take considerable period of time, considering that the whole process is conducted manually and requires correspondence that, in result, effective information availability is not optimally accomplished. On the other hand, there are some agencies that have not even applied computerized and centralized database management to allow other agencies scrutinizing the entire data easily and rapidly. By considering that there is more complex and faster information obtained and available, electronic and centralized database is extremely required.

II. Step/Strategy to take

1. Agencies with no electronic and centralized database have to organize their database management in electronic and centralized manner.
2. Agencies that have managed their database electronically could share theirs to others, therefore allowing one agency to access other's database directly and accurately from databases of an agency that manage that databases thru brief and rapid procedure applied based on prevailing regulation. This connectivity can be employed gradually according to the degree of necessity.

III. Strategy's Objective

Electronic and centralized database management as well as the connectivity of database among agencies is expected to allow information sharing among agencies immediately that will result in effective law enforcement in fighting crimes, in particular the crime of money laundering.

IV. Relevant Laws and Regulation

1. Law No. 36 Year 1999 concerning Telecommunication.
2. Law No. 23 Year 2006 concerning Population Administration.
3. the Presidential Instruction No. 3 Year 2003 concerning National Strategy on e-Government Development.
4. Law No. 15 Year 2002 concerning the Crime of Money Laundering as amended by Law No. 25 Year 2003

V. Institutions Involved

Ministry of Communication and Information, PPATK, Indonesian National Police, the Attorney General Office of RI, KPK, Ministry of Home Affairs, Ministry of Finance, Ministry of Law and Human Rights and other technical institutions.

STRATEGY 4

THE IMPROVEMENT OF THE COMPLIANCE OVERSIGHT OF FINANCIAL SERVICE PROVIDER

I. Problems faced

Increased numbers of reports obtained by PPTK until last period of 2006 was not followed by increased numbers of financial service providers (PJK), where the number of financial service providers as reporting parties was only recorded 160 providers compared with total number of PJK, which are 2,500. Seeing from types of industries, providers of financial services that have relatively small amount of reports sent to PPATK are rural banking, capital market, insurance, pension fund and foreign exchange. In addition, a provider of financial services that has not implemented its reporting obligation at all until the end of year 2006 is the postal office.

One of barriers of lack of reports conducted by providers of financial services is that not all of providers of financial services have applied Know Your Customer principle effectively and correctly, in fact, there is a provider of financial services that has no rule on Know Your Customer principle such as the postal office. In addition, in order to be able to identify a suspicious transaction, a provider of financial services has to know the profile, characteristic, as well as transaction pattern habit of its customers that are scopes of Know Your Customer principle.

When providers of financial services can implement the stipulations passed by regulator well and properly, it is hoped that its compliance on reporting obligation will be carried out comprehensively. It requires an active role from the regulator to improve the compliance of providers of financial services it oversees.

II. Step/Strategy to take

Regulator has to identify which financial service provider(s) under its supervision that still unable to implement KYC principle well and properly and it has to be able to use a firm hand within the limits of its authority to give an administrative sanction as an effort to make such Financial Service Provider learning its lesson.

To support such effort, it needs the implementation of well planned and sustainable socialization program to develop the compliance awareness of providers of financial services. Thus, on provisions that

have been enacted, gradual evaluation over those provisions is necessary in order be adjusted with prevailing provisions applied.

III. Strategy's Objective

Financial Services Providers' Compliance concerning reporting obligation can be improved, in particular financial services providers with minimum reporting number, such as general banks, rural banks and non-banking financial industry. The improvement of financial services providers' compliance is expected to highly increase the number of reports and information received by the PPATK that eventually will ease efforts to detect indications of certain crimes committed by following the money suspected.

IV. Relevant Laws and Regulation

1. Law No. 8 Year 1995 Concerning Capital Market.
2. Law No. 23 Year 1999 Concerning Bank Indonesia.
3. Law No. 7 Year 1992 concerning Banking.
4. Law No. 15 Year 2002 concerning the Crime of Money Laundering as amended by Law No. 25 Year 2003.
5. Ministerial Decree of the Minister of Finance No. 74/PMK.012/2006 on August 31, 2006 concerning the Application of Know Your Customer Principles against Non Bank Financial Institutions.
6. A Decree of the Head of Bapepam No. Kep-02/PM/2003 on January 15, 2003 concerning Know Your Customer Principle.
7. Bank Indonesia Regulation No. 3/10/PBI/2001 on June 18, 2001 concerning the Application of Know Your Customer (KYC) Principle against Regular Banks as amended by Bank Indonesia Regulation No. 2/23/PBI/2001 on December 13, 2001 and Bank Indonesia Regulation No. 5/21/PBI/2003 on October 17, 2003.
8. Bank Indonesia Regulation No. 5/23/PBI/2003 on October 23, 2003 concerning Know Your Customer (KYC) Principle for Rural Banks.
9. A Circular Letter No. 2/23/DPNP on December 13, 2001 concerning Standard Guideline of Know Your Customer (KYC)

Principle Application as amended by a Circular Letter No. 5/32/DPNP on December 4, 2003.

10. A Decree of the Head of PPATK No.2/4/KEP.PPATK/2003 on October 15, 2003 concerning Guideline on Suspicious Transaction Report Identification for Providers of Financial Services.
11. A Decree of the Head of PPATK No.2/6/KEP.PPATK/2003 on May 9, 2003 concerning Guideline on Procedure for Reporting Suspicious Transaction Report for Providers of Financial Services.
12. A Decree of the Head of PPATK No.3/1/KEP.PPATK/2004 on February 10, 2004 concerning Guideline on Cash Transaction Report and Procedure for Reporting CTR for Providers of Financial Services.
13. A Decree of the Head of PPATK No.3/9/KEP.PPATK/2004 on May 25, 2004 concerning Cash Transaction Reports that are exempted from Reporting Obligation.

V. Institutions Involved

Bank Indonesia, Bapepam-LK, PPATK, PT Pos Indonesia

STRATEGY 5

THE IMPLEMENTATION OF EFFECTIVE ASSET FORFEITURE AND ASSET RECOVERY

I. Problems faced

It is undeniable that the implementation of the task of assets tracing, forfeiture, recovery and management of proceeds of crime seized has not been carried out effectively and contributed maximum benefit for Indonesia. These are, among others, caused by:

1. Lack of comprehensive laws that comprehensively regulate the entire implementation of assets tracing, forfeiture, recovery and management of proceeds of crime seized. It is true that asset seizure and forfeiture has been regulated in several provisions under the laws such as the Criminal Procedure Code, Anti Corruption Law, AML Law and others. However, those are still not optimally carried out caused by "clash" of provisions of law and regulation, and lack of rules on the proceedings of reversal burden of proof.
2. Lack of special unit to manage proceeds of crime seized. At present there are a number of agencies that have special authority to confiscate the proceeds of crime and self-manage those assets. This has caused a lack of comprehensive data on the entire forfeited assets of various crimes and its management.

II. Step/Strategy to take

1. A comprehensive set of laws on the implementation of tracing, forfeiture, recovery and management of proceeds of crime seized needs to be created.
2. A special unit dealing with the tracing, forfeiture, recovery and management of proceeds of crime seized needs to be established. Considering its inter-relations tasks, the asset tracing and asset forfeiture, asset recovery and asset management can be integrated to be handled by a single unit participated by multi relevant agencies such as Indonesian National Police, the Attorney General Office, KPK and PPATK.

III. Strategy's Objective

This strategy is aimed at maximizing the recovery of assets derived from crimes confiscated to the state and making a positive contribution to the country's economy optimally.

IV. Relevant Laws and Regulation

1. Law No. 8 Year 1981 concerning Criminal Procedure Code.
2. Law No. 31 Year 1999 concerning Eradication of the Crime of Corruption as amended by Law No. 20 Year 2001.
3. Law No. 15 Year 2002 concerning the Crime of Money Laundering as amended by Law Number 25 Year 2003.
4. Law No. 16 Year 2004 concerning the Attorney General Office of the Republic of Indonesia.

V. Institutions Involved

Indonesian National Police, the Attorney General Office, KPK, PPATK and the Ministry of Law and Human Rights.

STRATEGY 6

INCREASED PUBLIC PARTICIPATION THROUGH A PUBLIC CAMPAIGN

I. Problems faced

The development of anti-money laundering regime can not be separated from public participation and all stakeholders. Public needs to understand well the significance of efforts in prevention and eradication of the crime of money laundering in Indonesia.

At present, Indonesian public awareness about issues related to this anti-money laundering regime in Indonesia is very limited. Minimum public awareness will make it difficult for financial service providers, or efforts to combat money laundering crimes in general, to develop an anti-money laundering regime.

In addition, very little awareness of the meaning of anti-money laundering crimes will make financial service users reluctant to provide data in relation with the need of financial service providers to implement Know Your Customer principle.

II. Step/Strategy to take

Developing awareness can only be attained by continuous and sustainable public campaign efforts that can be directed towards the whole community or stakeholders. The public campaign can be executed by way of:

1. Increase the intensity of socialization either through face-to-face activities with public or mass media as well as other specific forums.
2. Make a topic of money laundering crime as a lesson material for high and higher formal education in Indonesia, including education for employment in any government institution.
3. Conduct learning to public thru mass media. Develop public advertisement thru printing media, electronic media, and provide brochures in public areas.

III. Strategy's Objective

Public campaign is completely designed to increase the public knowledge and awareness and to provide public culture to take active participation in the prevention and eradication of the crime of money laundering.

IV. Relevant Laws and Regulation

1. Law No.31 Year 1999 concerning Eradication of the Crime of Corruption as amended by Law No. 20 Year 2001.
2. Law No. 15 Year 2002 concerning the Crime of Money Laundering as amended by Law No. 25 Year 2003.
3. The Presidential Decree No. 82 Year 2003 concerning Procedure for Implementing Authorities of PPATK.

V. Institutions Involved

PPATK, Bank Indonesia, Ministry of Finance (Bapepam-LK, Directorate General of Customs and Excise, Directorate General of Tax), the Attorney General Office, Indonesian National Police, Ministry of Home Affairs, Ministry of Law and Human Rights (Directorate General of AHU, Directorate General of Immigration), Ministry of Foreign Affairs.

STRATEGY 7

IMPROVEMENT OF INTERNASIONAL COOPERATION

I. Problems faced

As a part of international community, Indonesia is demanded to take active participation in international efforts to prevent and eradicate trans-national crimes. Many UN Conventions related to the prevention and eradication of crime have been passed, among others the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention), the 2000 United Nations Convention on Transnational Organized Crime (Palermo Convention), the 2003 UN Convention against Corruption, 1999 UN Conventions Against Terrorism and UN Convention for the Suppression of the Financing of Terrorism.

From those UN conventions, there is still 1 (one) convention that has not been ratified yet, which is the 2000 United Nations Convention on Transnational Organized Crime (Palermo Convention). The FATF Recommendation 35 has explicitly stated in distinct that every country has to ratify the Palermo Convention immediately.

In addition to the UN Conventions, still within international order, there are also regional conventions and treaties that signed bilaterally, regionally and multilaterally. In this case Indonesia has participated in signing the ASEAN Mutual Legal Assistance Treaty (AMLAT) in November 2005 and bilateral mutual legal assistance treaty such as with the South Korea. The treaty, however, has not been ratified until today.

The existence of conventions and treaties that have not been ratified will affect their implementations in Indonesia; in addition, it will also harm Indonesia's position in the international order. Technically, Indonesia is unable to ask for a mutual legal assistance with other ASEAN countries for not ratifying the treaty. Indonesia is also, inevitably, considered as non-cooperative state in enforcing certain crimes.

Besides measures conducted above, in the prevention and eradication of the crime of money laundering that is trans-national, Indonesia is also required to be able enhance international cooperation both bilaterl and multilaterl. Formal coopreation between PPAK and other FIUs has operated well right now.

II. Step/Strategy to take

UN Convention Against Transnational Organized Crime and ASEAN Mutual Legal Assistance Treaty (AMLAT) have been Government's priorities for long time to be ratified immediately. By ratification of these treaties, it is expected that international cooperation in transnational crime especially the crime of money laundering, can be developed significantly, particularly in the context of bilateral (cooperation among financial intelligence units), regional (Asia Pacific Group on Money Laundering) and multilateral (Egmont Group).

III. Strategy's Objective

This strategy is taken in order to make the already-signed conventions and treaties can soon be ratified and enforced in Indonesia. This will greatly assist the enforcement of effective anti-money laundering in Indonesia as well as enforcement of other crimes.

IV. Relevant Laws and Regulation

1. Law No.5 Year 1997 concerning Psychotropical Substances.
2. Law No. 22 Year 1997 concerning Narcotic.
3. Law No. 31 Year 1999 concerning Eradication of the Crime of Corruption as amended by Law No. 20 Year 2001.
4. Law No. 15 Year 2002 concerning the Crime of Money Laundering as amended by Law No. 25 Year 2003.
5. Law No. 15 Year 2003 concerning Determination of Government Regulation in Lieu of Law (Perpu) No. 1 Year 2002 concerning Eradication fo the Crime of Terrorism to be the Law.
6. Law No. 1 Year 2006 concerning Mutual Legal Assistance in Criminial Matters.
7. Law No. 6 Year 2006 concerning Ratification of the 1999 International Convention for the Suppression of the Financing of Terrorism.
8. Law No. 7 Year 2006 concerning Ratification of the 2003 United Nations Convention Against Corruption.

V. Institutions Involved

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Ministry of Foreign Affairs, Ministry of Law and Human Rights, and
PPATK

STRATEGY 8

THE STRENGTHENING OF REGULATIONS ON ALTERNATIVE REMITTANCE SYSTEM AND WIRE TRANSFER

I. Problems faced

Alternative Remittance System (ARS) can be defined as a money transfer service carried out outside formal financial service such as bank. Essentially, ARS can help the process of money transfer between countries by people with difficult access to formal financial service such as bank. ARS is chosen as an alternative to transmit money due to several factors. For example, the ARS cost is relatively smaller and faster in transmitting money to the beneficiary compared to the transfer service formally provided by financial industry.

In its development, the ARS service can be misused by some people for money laundering or terrorist financing activities, considering that ARS is untraceable within the financial system. As anticipation for its potential negative impacts, FATF has released Special Recommendation 6 and 7 dealing with Alternative Remittance System and Wire Transfer. SR 6 states that every individual or company providing money transfer must have a permit and registered by a competent authority. In addition, SR 8 states that each transfer activity has to be accompanied by the information of sender and its beneficial party, including the implementation of the KYC.

At present, there are quite many individual or non-financial companies providing money transfer in Indonesia, such as courier services that also provides money transfer. In addition, this service is sometimes not accompanied with complete identity of the sender nor its beneficial party.

II. Step/Strategy to take

To reduce or eliminate the negative impact caused by money remittance services, efforts that can be done by Bank Indonesia is issuing constructive legal basis on activities of Alternative Remittance in forms of Bank Indonesia Regulation and Circular Letter. The main objective of regulatory action on money remittance activity is to support shifting money remittances activity from informal business activity to be formal business activity. Thru this shifting, it is expected that legal transparency and law certainty for parties in engaging money remittances activity will be achieved. Also, by the

application of reporting obligation on money remittance services, including the reports on suspicious transactions to a competent authority, and the application of KYC principle in engaging money remittance activity, it is expected that the misuse of ARS for committing money laundering and financing of terrorist can be avoided.

On wire transfer, Bank Indonesia has prepared a draft of law concerning Wire Transfer whereby this draft is being discussed by inter-agencies forum. In a meantime, on wire transfer between banks both for the interest of customers and the bank itself, Bank Indonesia has issued Bank Indonesia regulation pertaining Bank Indonesia's Real Time Gross Settlement System (RTGS) and national clearing system.

III. Strategy's Objective

This strategy is taken to make money transfer service activities, particularly those conducted by non-financial industry, can be controlled properly by the authority so any potential negative impact it may cause can be eliminated.

IV. Relevant Laws and Regulation

1. Law No. 23 Year 1999 concerning Bank Indonesia.
2. Law No. 15 Year 2003 concerning Determination of Government Regulation in Lieu of Law (Perpu) No. 1 Year 2002 concerning Eradication of the Crime of Terrorism as the Law.
3. Law No. 6 Year 2006 concerning Ratification of the 1999 International Convention for the Suppression of the Financing of Terrorism.
4. Bank Indonesia Regulation No. 8/28/PBI/2006 concerning Money Remittance Business Activity and its Implementing Regulations.
5. Bank Indonesia Regulation No. 6/8/PBI/2004 concerning Bank Indonesia's Real Time Gross Settlement System as amended by Bank Indonesia Regulation No. 6/13/PBI/2004 and its implementing regulations.
6. Bank Indonesia Regulation No. 7/18/PBI/2005 concerning Bank Indonesia National Clearing System and its implementing regulations.

IV. Institutions Involved

PPATK, Bank Indonesia, Ministry of Law and Human Rights,
Directorate General of Postal Office and Telecommunication.

CLOSING

By recognizing various obstacles and challenges as presented above, this National Strategy is arranged and formulated to recommend actions that need to be taken and implemented to overcome them. However, in order to resolve these problems, the National Strategy requires **commitment and measurable actions** from all related government agencies, financial and non-financial industries, as well as public at large. Without the execution of actions to overcome these problems, Indonesia has a potential to return to the list of "non-cooperative countries in dealing with money-laundering crimes" in the future and faces economic sanction from financial investors who are discouraged to invest their capital as well as being exploited by financial criminals. Therefore, this National Strategy has positive, goal-oriented and measurable objectives containing significant and profound meaning that should not only be read but, more importantly, implemented.

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**DETAIL WORK PLAN ON IMPLEMENTATION OF NATIONAL STRATEGY
ON THE PREVENTION AND ERADICATION OF THE CRIME OF MONEY LAUNDERING
FISCAL YEAR 2007-2011**

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
STRATEGY I THE ASSIGNMENT OF A SINGLE IDENTITY NUMBER						
1	Updating population databases in 100 Districts/Cities	Development of population databases in 100 Districts/Cities	2007	Ministry of Home Affairs		State Budget fiscal year 2007
2	a. Stimulate SIAK infrastructures for 284 Districts/Cities b. Stimulate SIAK infrastructures for 78 Small Districts to 5 Districts/Cities in Yogyakarta Province and 14 Small Districts in Poso District. c. Stimulate SIAK infrastructures for 32 Provinces	Development of population databases in 32 Provinces and 289 Districts/Cities and 78 Small Districts in Yogyakarta Province and 14 Small Districts in Poso District.	2007	Ministry of Home Affairs		State Budget fiscal year 2007
3	Facility for up dating KTP in implementing National NIK basis.	Utilize KTP using National NIK basis	2007	Ministry of Home Affairs		State Budget Fiscal year 2007
4	Tryout biometric application in individual databases in Yogyakarta Province and Poso District	Avoid multiple and fictitious Identity in Yogyakarta Province and Poso District	2007	Ministry of Home Affairs		State Budget fiscal year 2007

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
5	Pioneering effort to manage connection system of NIK with other Ministries/institutions for public services purpose.	Development of connection system of NIK with related inter-sectoral Ministries/institutions for the improvement of public services	2008	Ministry of Home Affairs, Ministry of Law and Human Rights, Immigration, DG Tax, PPATK		State Budget Fiscal year 2008
6	Facility for up dating KTP in implementing National NIK basis	Utilize KTP using National NIK basis	2008	Ministry of Home Affairs		State Budget Fiscal year 2008
7	Application of biometric and chip in the issuance of KTP	Avoid multi Identity (KTP) and to provide Identity for multi purposes.	2008	Ministry of Home Affairs		State Budget fiscal year 2008
8	Population data management on National NIK basis to support preparation of General Election in 2009	Development of population data as voters in 2009 General Election.	2008	Ministry of Home Affairs		State Budget Fiscal Year 2008
9	Development of data center and SIAK data communication network in central and regions.	Development of on-line <i>Sistem Informasi Administrasi Kependudukan</i> (SIAK) between Central government and Regions.	2009	Ministry of Home Affairs		State Budget fiscal year 2009
10	NIK connection system arrangement with Ministries/other institutions for public services purpose.	Development of sistem koneksitas NIK with Departemen/Lembaga lintas sektor terkait dalam rangka peningkatan pelayanan publik.	2009	Ministry of Home Affairs, Ministry of Law and Human Rights, Immigration, DG Tax, PPATK		State Budget Fiscal year 2009
11	Application of biometric and chip in the issuance of KTP (continued activity)	Avoid multi Identity (KTP) and to provide Identity for multi purposes.	2009	Ministry of Home Affairs		State Budget Fiscal Year 2009

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
STRATEGY II						
THE COMPLETION OF DELIBERATION ON AML DRAFT LAW, IMPLEMENTATION REGULATIONS AND THE ENFORCEMENT						
1	Accelerate discussion of drafting the law on money laundering crime with the Parliament.	A draft of law is approved and enacted Have accomodated international standards in anti money laundering legislation in Indonesia	Quarter III/2007	Ministry of Law and Human Rights, Minister of Finance, PPATK		State Budget fiscal year 2007
2	Drafting implementing regulation of AML Law, as follows: e. Drafting a Government Regulation on HRD Management of PPATK f. Drafting a Presidential Regulation on PPATK Organizational Structure and Working Procedure	Those implementing regulations are approved and enacted. Can enforce AML Law effectively and efficiently.	Quarter IV/2007 2008	Ministry of Law and Human Rights, PPATK		State Budget fiscal year 2008
3	Drafting a Joint Decree on Guideline of AML Preliminary Investigation and Full Investigation.	Establishment of coordination between PPATK and investigators of the predicate crimes.	Quarter 1/2008	PPATK, AGO, National Police Dept., other institutions that have authority to conduct investigation.		State Budget fiscal year 2008

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
4	Drafting a Decree of the Head of PPATK on Reporting Guideline for New Reporting Parties (Professin and designated goods/services providers)	Reporting Guideline for New Reporting Parties (Professin and designated goods/services providers)	Quarter 1/2008	PPATK		State Budget fiscal year 2008
4	Public Campaign	<p>Implementation of a series of public campaign activiteis and socialization especially in relation with arrangement on new matters related with public by organizing seminars/workshop, printing and electronic mass media.</p> <p>It is understood how important the role of parties is in the support of the prevention and eradication of the crime of money laundering.</p>	Starting Quarter IV/2007	PPATK		State Budget Fiscal year 2008-9
5	<p>Harmonize the enforcement of AML Law:</p> <p>a. Coordination between regulators</p> <p>b. Coordination between Law Enforcement</p> <p>c. Coordiantion between reporting parties</p>	<p>Implementation of a series of coordination and socialization activities.</p> <p>A creation of similar perception and working mechanism can be understood as stipulated in AML Law.</p>	2008 - 2009	PPATK, regulator, law enforcement, reporting parties association.		State Budget fiscal year 2008-9
<p>STRATEGY III THE MANAGEMENT OF ELECTRONIC DATABASE AND THE CONNECTIVITY OF RELATED INTER-AGENCY DATABASE</p>						

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
1	Accelerate the process for preparing electronic databases in all technical institutions.	Database in relevant technical institutions that have had electronic database management Facilitate inquiries on information from certain institutions.	2008	All releted institutions		State Budget fiscal year 2008
2	Conduct legal and technical reviews against institutions that can connect their database.	Review of Institutional Identification that is possible to have database connection. Memudahkan Preparation program interkoneksi antar instansi.	2009	All releted institutions		State Budget fiscal year 2009
3	Accelerate sustainability of databases amont relevant technical institutions.	Database in relevant institutions has been accessed.. Information exchange.	2010	All releted institutions		State Budget Fiscal year 2010
STRATEGY IV						
THE IMPROVEMENT OF THE COMPLIANCE OVERSIGHT OF FINANCIAL SERVICE PROVIDER						

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
1	Problems Identification on the application of KYC principle and reporting obligation by reporting parties (providers of financial services), especially rural banks and non bank financial institutions	Compilation of problems identification happened by providers of financial services (especially rural banks, non bank financial institutions)	Fiscal year 2007	Bank Indonesia, Bapepam LK, PPATK		Bank Indonesia's Budget, State Budget (Bapepam LK, PPATK)
2	Planned and sustainable socialization to establish compliance awareness among providers of financial services, especially rural banks and non bank financial institutions	1. Quality of KYC application increases 2. Total reports increase	Since Quarter II/2007	Bank Indonesia, Bapepam LK, PPATK		Bank Indonesia's Budget, State Budget (Bapepam LK, PPATK)
3	Intensify direct and indirect supervision over implementation of KYC by providers of financial services continuingly	Results of General Examination (LHP) and Supervision Letter for providers of financial services to make regulations on KYC are more effective.	Min. 1 times in one year for each Provider of Fin. Services	Bank Indonesia		Bank Indonesia's Budget
4	Intensify compliance audit over reporting obligation by providers of financial services	Results of General Examination (LHP) and Supervision Letter for providers of financial services to make implementation of reporting to PPATK is more effective.	Continue	PPATK		State Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
5	Organization education program for rural banks' owners and management in order to understand interest and roles of KYC in the support of Government policies.	Improve awareness of rural banks in applying KYC	Continue	Bank Indonesia, PPATK		Bank Indonesia's Budget, State Budget
6	Enhance knowledge and capability of providers of financial services in applying KYC principles and reporting obligation to PPATK	Development of knowledge and capability of providers of financial services in applying KYC principles and reporting to PPATK	2007-2008	PPATK, Bank Indonesia, Bapepam-LK	Financial Crime Prevention Project (FCPP)-USAID	FCPP's budget
7	Development of capacity building for supervisors over examiners on the implementation of KYC thru simlutenous training program.	Similar perception on identification of suspicious transaction reports.	1 x in one year	Bank Indonesia, Bapepam LK		Bank Indonesia's Budget, State Budget
8	Improve provisions on KYC based on characteristic of rural banks and non bank financial institutions and new provision of AML Law.	Bank Indonesia Regulation, Regulations of Minister of Finance		Bank Indonesia, Bapepam-LK		Bank Indonesia's Budget, State Budget
9	Adjustment of provisions of KYC for Regular Banks with new provisions of AML Law.	Bank Indonesia Regulation, Internal and Exgternal Circular Letters	2007 – 2008	Bank Indonesia		Bank Indonesia's Budget
10	Regulation on KYC for the postal office.	KYC Guideline for the postal office.	2007 – 2008	DirGen. Postal Office		State Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
STRATEGY V						
THE IMPLEMENTATION OF EFFECTIVE ASSET FORFEITURE AND ASSET RECOVERY						
1.	Conducting review on national laws and regulation and international best practices on asset tracing, asset forfeiture, asset recovery and asset management.	Result of review on national laws and regulation and international best practices on asset tracing, asset forfeiture asset recovery, and asset management..	2007	The Attorney General Off. and PPATK		State Budget, Donor
2.	Conducting review on problems faced by Government of Indonesia in conducting asset tracing, asset forfeiture, asset recovery and asset management.	Result of review on problems faced by Government of Indonesia in conducting asset tracing, asset forfeiture, asset recovery and asset management.	2007	The Attorney General Office and PPATK		State Budget, Donor
3.	Preparation of TOR and priorities of activity in respect with effectiveness to apply asset tracing, asset forfeiture, asset recovery and asset management involving international experts.	TOR and priorities of activity in respect with effectiveness to apply asset tracing, asset forfeiture, asset recovery and asset management.	2007	The Attorney General Office and PPATK		State Budget, Donor
4.	Preparation of the establishment of Unit / Team / Task Force of asset tracing, asset forfeiture, asset recovery and asset management.	The establishment of Unit / Team / Task Force of asset tracing, asset forfeiture, asset recovery and asset management.	2007-2008	The Attorney General Office, National Police Dept., KPK, PPATK.		State Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
5.	Preparation of Initial Transcript of Draft law on asset tracing, asset forfeiture, asset recovery and asset management.	Initial Transcript of Draft law on asset tracing, asset forfeiture, asset recovery and asset management.	2007-2008	The Attorney General Office, PPATK and Ministry of Law and Human Rights		State Budget
6.	Inter-departments meeting in respect with Preparation of Academic Transcript on asset tracing, asset forfeiture, asset recovery and asset management.	Academic Transcript on asset tracing, asset forfeiture, asset recovery and asset management.	2007-2008	The Attorney General Office, PPATK, Ministry of Law and Human Rights, relevant parties.		State Budget
7.	Inter-departments meeting in respect with Preparation of Transcript of Draft Law on asset tracing, asset forfeiture, asset recovery and asset management.	Transcript of Draft Law on asset tracing, asset forfeiture, asset recovery and asset management.	2007-2008	The Attorney General Office, PPATK, Ministry of Law and Human Rights, related institutions		State Budget
8.	Compilation and harmony of laws and regulation and provision of Transcript of Draft Law on asset tracing, asset forfeiture, asset recovery and asset management.	Transcript of Draft Law on asset tracing, asset forfeiture, asset recovery and asset management that has been harmonized.	2008	The Attorney General Office, PPATK and Ministry of Law and Human Rights		State Budget
9.	Submission of Transcript of Draft Law on asset tracing, asset forfeiture, asset recovery and asset management to the President in requesting an introduction letter to the Parliament.	An introduction letter from the President to the Parliament	2008	Ministry of Law and Human Rights		State Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
10.	Submission of Draft Law on asset tracing, asset forfeiture, asset recovery and asset management by the President to the Parliament.	Draft Law is submitted by the President to the Parliament.	2008	Ministry of Law and Human Rights and State Secretariat		State Budget
11.	Discussion on Draft Law concerning asset tracing, asset forfeiture, asset recovery and asset management with the Parliament.	Transcript of Law on asset tracing, asset forfeiture, asset recovery and asset management.	2009	The Attorney General Office, National Police Dept., Ministry of Foreign Affairs, PPATK, Ministry of Law and Human Rights, relevant parties		State Budget
STRATEGY VI						
INCREASED PUBLIC PARTICIPATION THROUGH A PUBLIC CAMPAIGN						
1	To include module of the crime of money laundering as educational materials in employment education program of related institutions	Related institutions understand materials on the prevention and eradication of the crime of money laundering.	Quarter I 2008	PPATK, Ministry of State Apparatus Development.		State Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
2	To include module of the crime of money laundering as training materials in formal education of high level and above in Indonesia	Formal education of high level and above understand the prevention and eradication of the crime of money laundering and actively participate in developing effective anti money laundering regime in Indonesia.	Quarter I 2008	PPATK, Ministry of Education		State Budget
3	To include major on the crime of money laundering as one of required majors in Law Faculty of Universities in Indonesia .	DirGen of University/College of the Ministry of Education shall include major on the crime of money laundering as one of required majors in Law Faculty of Universities in Indonesia.	Quarter III Fiscal year 2008	PPATK, Ministry of Education		State Budget
4	Development of educational program for society thru cooperation with Government Institutions - Department and Non Department outside members of National Coordinating Committee on Anti Money Laundering based on its roles and duties respectively.	Government Institutions - Department and Non Department conduct education for society in order to develop effective anti money laundering regime in Indonesia collectively.	Quarter IV Fiscal year 2008	PPATK, Ministry o Communication and Information, relevant parties.		State Budget
5	Development of educational program for society thru cooperation with social organizations, social, religion, professin, non government organizations, etc. based on its roles and duties respectively.	Social organizations, social, religion, professin, non government organizations, etc. conduct education for public to be able to develop effective anti money laundering regime in Indonesia collectively.	Quarter IV Fiscal year 2007, until fiscal year 2011	PPATK, relevant parties.		State Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
6	Development and Implementation of campaign on the prevention and eradication of the crime of money laundering (including the application of KYC principle) integrated with Printing Mass Media, Electronic Media and Online Media locally, nationally and internationally. This cooperation is directed to establish culture in eradicating the crime of money laundering especially the proceeds of corruption and other crimes.	Creation of culture of anti money laundering crime within society by conducting talk show, writing articles, opinions, public services advertisements, etc. related with the prevention and eradication of the crime of money laundering in Indonesia.	Quarter I 2009 and continue	PPATK, Bank Indonesia Bapepam-LK and other relevant parties.		State Budget and Donors.
7	Development and provision on access for public on information related with the prevention and eradication of the crime of money laundering, including the application of KYC principle based on prevailing laws and regulation.	Preparation of Website, Article in Magazine and other Media in relation with the prevention and eradication of the crime of money laundering in Indonesia	Quarter I 2008 and continue	PPATK, Bank Indonesia, Bapepam-LK and other parties.		State Budget and donors.
8	Communicate the application of KYC principles in Regional Government throughout Indonesia.	Society awareness, specially within Regional Governments to participate in implementing KYC principle.	2007-2010	Bank Indonesia, PPATK		Bank Indonesia
STRATEGY VII IMPROVEMENT OF INTERNATIONAL COOPERATION						

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
1	Ratification of United Nations Convention against Transnational Organized Crime (TOC)	<p>Transcript of draft law on ratification of United Nations Convention against Transnational Organized Crime (TOC)</p> <p>Development of Indonesian reputation in the effort to prevent and eradicate trans-national crimes.</p>	Fiscal year 2008	Ministry of Law and Human Rights, and Ministry of Foreign Affairs	Legal Drafting Program, RPJM fiscal year 2004-2009	State Budget Fiscal year 2008
2	Ratification of Treaty on Mutual Legal Assistance in Criminal Matters	<p>Transcript of Draft Law on the ratification of Treaty on Mutual Legal Assistance in Criminal Matters</p> <p>Increased cooperation in mutual legal assistance in criminal matters between state members of ASEAN, and facility for Government of Indonesia in tracing assets derived from corruption located in other countries.</p>	Fiscal year 2008	Ministry of Law and Human Rights, Ministry of Foreign Affairs	Legal Drafting Program, RPJM fiscal year 2004-2009	State Budget Fiscal year 2008
3	Ratification of MLA bilateral treaties with South Korea and other countries.	<p>Transcript of Draft Law on Ratification of MLA Treaties with South Korea and other countries.</p> <p>Increased cooperation in mutual legal assistance in criminal matters, and facility for Government of Indonesia in tracing assets derived from corruption located in other countries.</p>	Fiscal year 2008	Ministry of Law and Human Rights, Ministry of Foreign Affairs	Legal Drafting Program, RPJM fiscal year 2004-2009	State Budget Fiscal year 2008

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
4	Membership of Indonesia in the Egmont Group is formalized.	The Presidential Decree on Formalization of PPATK's Membership in the Egmont Group.	Fiscal year 2008	Ministry of Foreign Affairs, PPATK		State Budget Fiscal year 2007-2008
5	Increase international cooperation between PPATK and other FIUs of other countries.	Memoranda of Understanding (MOU) between PPATK and FIUs of other countries are formalized. Increased cooperation in eradication of money laundering crime with other countries especially on information exchange.	Fiscal year 2007-2011	Ministry of Foreign Affairs, PPATK		State Budget
6	Strengthen Indonesian position in regional cooperation such as in the Asia Pacific Group on Money Laundering (APG)	Increased cooperation in eradication of money laundering crime in Asia Pacific Regions.	Fiscal year 2007-2011	Ministry of Foreign Affairs, PPATK		State Budget
STRATEGY VIII						
THE STRENGTHENING OF REGULATIONS ON ALTERNATIVE REMITTANCE SYSTEM AND WIRE TRANSFER						
1	Implementation of provision of Bank Indonesia regulation related with Registration of Alternative Money Remittance Services.	1. Inclusion of identity of Registration of Alternative Money Remittance Services into Registry List. 2. Provide a receipt of registry for Registration of Alternative Money Remittance Services that have been registered.	December 2006 until December 2008	Bank Indonesia		Bank Indonesia's Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
2	Socialization of provision of Bank Indonesia regulation on Registry of Alternative Money Remittance Services	Understanding provided to industries and society excessively.	2007	Bank Indonesia		Bank Indonesia's Budget
3	Reports on Cooperation between Registration of Alternative Money Remittance Services with Money Transfer Operator (such as Western Union and Moneygram) for Bank Indonesia.	Reports, for internal interest (monitoring and security aspect in Registration of Alternative Money Remittance Services).	December 2006 dst	Bank Indonesia		Bank Indonesia's Budget
4	Reports on activities of Registration of Alternative Money Remittance Services, transactions of receiving and sending money, suspicious transactions.	Monitoring	December 2006 until December 2008	Bank Indonesia		Bank Indonesia's Budget
5	Preparation implementing regulations of Bank Indonesia in business licensing of Alternative Money Remittance Services.	A Circular Letter of Bank Indonesia	2008	Bank Indonesia		Bank Indonesia's Budget
6	Socialization of provision of Bank Indonesia regulation on Licensing of Alternative Money Remittance Services.	Providing understanding for industries and society.	2008	Bank Indonesia		Bank Indonesia's Budget

Sub	Activity	Indicator	Time	Executor	Relevant program	Funding
		Outcome				
1	2	3	4	5	6	7
7	Application of provisions of Bank Indonesia regulation related with Licensing of Alternative Money Remittance Services.	1. Inclusion of Identity of Registration of Alternative Money Remittance Services into Registry Lists. 2. Provide a receipt for Registration of Alternative Money Remittance Services that have had a licensing from Bank Indonesia.	Starting January 2009	Bank Indonesia		Bank Indonesia's Budget
8	Reports on activities of Registration of Alternative Money Remittance Services of sending and receiving money, suspicious transactions.	Result of supervision	Starting January 2009	Bank Indonesia		Bank Indonesia's Budget
9	Direct and Indirect Supervision.	Result of supervision	Starting January 2009	Bank Indonesia		Bank Indonesia's Budget
10	Accelerate the preparation and discussion of Law on wire transfer.	The enactment of draft law on wire transfer.	2007-2008	Bank Indonesia, Ministry of Law and Human Rights		Bank Indonesia's Budget, State Budget
11	Accelerate the preparation and discussion on implementing regulation of law concerning wire transfer.	Implementing regulations (Bank Indonesia regulations, BI Circular Letters, etc.)	2007-2008	Bank Indonesia, Ministry of Law and Human Rights		Bank Indonesia's Budget, State Budget