

ONLINE TRANSACTION FRAUD METHODS IN INDONESIA AND THE NORM OF DETERRENCE: THE CHALLENGES AND OBSTACLES

By

Anton Hendrik Samudra & Andrian Julius

FOREWORD

Cyber world connects people around the globe that can be used to communicate and do economy activities such as purchase goods, advertise business, join auctions, and many more. It is convergence of computer, network and communication, that enables us to do the things mentioned and more. Technology connects us to cyber world, thus we can communicate to the world easily and instantly like never before. Indonesia is currently the 9th largest smartphone user in the world. It is estimated to reach 57.7 million in 2014 and 71.6 million for 2015, and expanding to above 100 million by 2017. Smartphones are the most popular device for connecting to the internet (65.7 percent), followed by desktops (52 percent), notebooks (45 percent), and tablets (1.9 percent).¹

Online transaction is very common in Indonesia, even some people are addicted to it because of the easiness. It provides shopping with less effort, because everything can be done by computer or even a smartphone. Consumer can use internet browser, for the web-based system store, or some smartphone applications provided by online stores to search the items they want to buy, and with some clicks, few days later the stuff we bought is up in front of our door.

The payment system for the purchase is as easy as clicks. Technology and communication network transformed our money to electronic data which flows through fiber optic wires or GSM signals. It is not necessary anymore to go to the bank or ATM, because wire transfer using mobile phone or internet banking as the payment of transaction is very easy to use. Beside the wire transfer using mobile or internet banking, credit card is also can be used as one. In addition to the purchase online, through cyber world, sellers can sell their items online.

Indonesia legal system acknowledge 'online transaction' term as 'electronic transaction' as defined within the Law 11/2008. Specifically, in Article 1 point (2): "Electronic Transaction" means a legal act that is committed by the use of Computers, Computer networks, and/or other electronic media.

¹ Indonesian Chambers of Commerce and Industry: 2016, Business Support Desk, <http://www.bsd-keadin.org/news/news-detail/id/83>, last accessed April 21, 3.12 p.m.

Internet purchases happen on a daily basis, and majority of the transactions are legitimate. With almost every legitimate business operation, there are those who see an opportunity to make some sort of financial gain through fraud or deception.² E-commerce ascendingly popular these days as well as the popularity of it to be the avenue of fraud. People conducting commerce through the Internet rely on the growing simplicity, whereas the criminal element relies on individual complacency.³ This deviation of behavior these days considered as part of cybercrime. Cybercrime which using technology as tools of criminal conduct. To preserve the economic integrity, protecting decent business practitioners is necessity.

INDONESIA E-COMMERCE

The development of banking services provides consumers wider access to e-commerce. Efforts to entice and accommodate Indonesian customers made the bigger e-retailers offering between 4 and 14 methods of payment. The most popular are bank transfer (70 percent), Klik BCA (41 percent), credit card (30 percent), cash on delivery (24 percent), and Mandiri Internet (15 percent).⁴

According to Bank Indonesia, Indonesia e-commerce transaction value reached USD 2,6 billion in 2014. Sri Agustina Indonesia Trade Direktorat General said that the value will continuously increase in years after.⁵ Rudiantara, Indonesia Minister of Communication and Informatics, said that the increase every year is approximately 60-70 percent.⁶

Daniel Tumiwa, Chief of Indonesian E-commerce Association (idEA), said that internet user in Indonesia reached 76 million users, and since 2011 that number keep increasing 20 percent every year. In the following 5 years, the number of online shopper increase from 3 percent to 30 percent of the population.⁷ Joint report released by idEA, Google Indonesia, and Taylor Nelson Sofres (TNS) revealed that Indonesia online commerce could be worth IDR 300 trillion (USD 25 billion) by 2016, almost three times that the online shopping market in 2013 which was worth USD 8 billion. With around 297 million mobile phone subscriptions and 83.6 million internet users, Indonesia is currently a hotbed for the e-commerce industry.⁸

Local e-commerce players have been trying to find ways to cash in on the country's growing market. ICS reported, there are at least eight Indonesian

² James Youngblood, 2015, *A Comprehensive Look at Fraud Identification and Prevention*, CRC Press, New York, p. 223.

³ Ibid.

⁴ Veritrans & Daly Social, 2012 in Indonesian Chambers of Commerce and Industry: Business Support Desk, Op.Cit, last accessed April 21, 2016, 3.42 p.m.

⁵ CNN Indonesia, <http://www.cnnindonesia.com/teknologi/2016012170755-185-106096/nilai-transaksi-e-commerce-di-indonesia-meningkatkan/>, last accessed April 18, 2016, 4.30 p.m.

⁶ Kata Data News and Research, <http://katadata.co.id/telaah/2015/12/18/indonesia-pasar-e-commerce-terbesar-di-asean-dengan-banyak-kendala>, last accessed April 20, 2016, 3.47 p.m.

⁷ Indonesia Tech in Asia, <https://id.techinasia.com/daniel-tumiwa-menyangrah-mitos-seputar-e-commerce-di-indonesia>, last accessed April 20, 2016, 3.58 p.m.

⁸ Deal Street Asia, <http://www.dealstreetasia.com/stories/indonesia-online-commerce-to-touch-25b-by-2016-9240/>, last accessed April 21, 2016, 2.12 p.m.

companies are entering e-commerce industry, such as PT Mitra Adiperkasa Tbk (MAPI), PT Sumber Alfaria Trijaya Tbk (AMRT), PT Erajaya Swasembada Tbk (ERAA), PT United Tractors Tbk (UNTR), PT Elang Mahkota Teknologi Tbk (EMTEK), PT Trikonsel Oke Tbk (TRJO), PT Panorama Sentrawisata Tbk (PANR), and PT Surya Semesta Internusa Tbk (SSIA).⁹ Also, there are many web based online shop such as Tokopedia, olx, bukalapak, shopee, etc, which have impact toward economic and people behavior.

Indonesia e-commerce development, also supported by the emerging of online transportation as expedition. The ability to deliver same day because of online transportation in online shopping, makes online shopping popular pleased.

ONLINE TRANSACTION FRAUD

In 2014, General Sutarman, while he was the Chief of Indonesia Police, said that online business is escalates along by the cybercrimes. The damage caused by cybercrimes in 2011 was IDR 4 Billion and USD 178.800 with 520 cases. While in 2012, it increased to IDR 5 Billion and USD 56.448 with 600 cases.¹⁰

Usually, consumers conducting online purchases through well-known Internet shopping websites can easily gain a level of confidence in the system. But if the online shopper strays from the trusted and well-established online shopping venues, they can become a victim of potential fraudulent activity.¹¹

There are several popular methods of online transaction fraud, some of them found in 2016 research conducted by author, such as:

1. Non-delivery Method

a. The seller never delivered the purchased item to the buyer.

Once the online transaction process is completed, the buyer makes the payment to the seller through wire transfer or credit card. Unfortunately, the seller never delivers the purchased item to the buyer. There are two possibilities, the first is the seller does not have the item and deceive the buyer as if they have one, or second, they have the item but do not have the intention to deliver it.

To make the online store post appear legitimate to the buyer, the seller posts pictures of the item on the website or online store. For the first possibility, the seller can take pictures from any website with the help of search engines. For the second one, the seller might have physical possession of the item and post a picture on the website or online store but having no intention of making delivery.

b. The seller admitted has delivered the purchased item but they request additional charge

The seller proclaim that they already send the purchased item, but in the delivery process, some problem occurred such as blocked

⁹ Ibid.

¹⁰ Tribun News, <http://www.tribunnews.com/nasional/2014/05/13/transaksi-kejahatan-daring-kian-meningkat>, last accessed April 21, 2016, 2.02 p.m.

¹¹ James Youngblood, Op.Cit, p. 224.

by customs officer of the government. That's why the seller want to request an addition charge to finish the process of delivering. There is also possibility that it is not the seller who contacted the buyer in order to request additional charge, but the accomplice who use fake position admitting the officer of customs or similar to it.

2. Product Deception Method

- a. The other method is product deception. Technology that allows consumers to make purchases over the Internet also provides the opportunity for Photoshopping.¹² Buyers take a digital picture of the item for sale, Photoshopped the picture, and post the altered image on the Internet website or the online store. The seller who is experienced and skillful in technology posts a picture of the item for sale that is not the actual product intended for delivery.
- b. The product had been received by the buyer, but is a different quality from what agreed upon. Some of them are degraded quality. Yet in this matter, it is important to distinguish whether it is a product deception or a marketing hyperbola. Therefore, the formulation of the norm plays important role in it.
- c. The product has been received by the buyer with flawless packaging, sealed perfectly, and the weight was correct, but when opened, it contained other things than the one ordered, in some cases the perpetrator used stone. When the buyer called the seller, they would not answer the call. This method happened in Surabaya, Indonesia.
- d. If the buyer wanted to have a new product directly from the factory, they will receive a whole package with fine packaging but in fact the item was a used item. It happens to all product like vehicle, camera, phone, etc.

3. Fake Online Lottery Method

This method only applied if the online customers bought a lottery in some website or the other online transaction. All the buyers would receive some number to be raffled, but the seller never does it. They always win same person or a fake person or their friend to make illegal money.

4. Fake Investment Method

The seller promoted an extremely benefit investment, but when the victim was defrauded and transferred the money, the seller immediately disappears.

5. The product was affixed with viruses or malware.

If the buyers want to buy some programs or apps at some online seller, the product was good quality, but secretly the seller affixed some viruses or malware to steal data. Malware could also infect our computer from pirated software, or websites.

¹² Ibid. p. 226

It is noticed that from the crime method, there are fraud in the scope of seller-buyer relation and outside seller-buyer relation.

The problem for local law enforcement is the transaction and the communication has been executed via online¹³ and the parties never meet face to face. The identification of the perpetrator is quite difficult to do. Even more, in this era of freedom of information, there is also demands of the security of information. That is why all the policy regarding any electronic information are protected by encryption, including the identity and the geolocation of the perpetrator. Which by doing so, the perpetrator also gets the protection and potentially got away and not held responsible.

BANKING AND COMMUNICATION SYSTEM

The banking system protects the identity and sensitive information of the customers. It is regulated in Indonesia Law No. 7/1992 amended with the Law No. 10/1998 about Banking Law. In Article 1 Point 28 stated: Bank secret is everything related with information of depositor and the deposit. In Article 40(1) constituted that banks are obliged to keep the secret related with information of depositor and the deposit, with certain of exclusions.

Opening an account, the bank only requires a local identity (KTP¹⁴). It is quite well known that forging a KTP is very possible. There are several cases of fraud involving a forged KTP with false identity details. The bank will open a new account for the customer who can provide a KTP. In this matter, the bank could be deceived with the forged KTP. But in a skeptical way of thinking, there is also a possibility that the bank officer is also a member of online fraud syndicate.

With the regulation of bank secret, principally, every information is of depositor and the deposit cannot give away to person beside the depositor. Not everybody can ask the bank about the information of bank account of the perpetrator, with certain exclusion. The exclusion is regulated within Indonesia Law 11/2008 and Bank Indonesia Regulation number 2/19/PBI/2000 about requirements and procedure of order or written permission to disclose bank secret, they are:

- a. Taxation purposes;
- b. Bank settlement accounts that have been submitted to the Bureau of State Receivables and Auction / Committee for State Debt;
- c. The Interests of criminal justice enforcement;
- d. Interests of justice in a civil case between the Bank and their Clients;
- e. Exchange of information between Banks;
- f. Request, consent or authorization of Depositors made in writing;
- g. Request the legitimate heirs of Depositors who have died.

¹³ The medium used to interact are website, social media, web-based applications (Usually cross-platform), and e-mail.

¹⁴ KTP stands for *Kartu Tanda Penduduk*, which is legitimate identity card for Indonesian issued by the Civil Service

The internet/communication service provider also a party who have operation procedure to not give away sensitive information about their user and/or the communication contents. These securities of bank and internet/communication service provider are constraints of law enforcement. These two things are supposed to be protections toward individuals in the privacy protection regime which develop in cyber era, but they are also protect the perpetrator.

ONLINE TRANSACTION FRAUD DETERRENCE

The new regime of cyber law in Indonesia commenced with the enactment of Indonesia Law 11/2008 which regulate about electronic information and transaction. Before the enactment, Indonesia rely on the judge's interpretation of Indonesia Criminal Code in order to find the law.

The norm that regulates about online transaction fraud is in Article 28 (1) Indonesian Law 11/2008.

Article 28 (1)

"Any Person who knowingly and without authority disseminates false and misleading information resulting in consumer loss in Electronic Transactions"

From the article, it is understood that consumer damage as a result of fraud activity is absolute requirement to proof. Therefore, any act to disseminate false information is not necessarily a perpetration toward this norm. There has to be causality relation between the false message and consumer damage.

The article also shown that there is a dimension of consumer protection. But it also establishes limitation of the norm's coverage. Article 28 (1) only can be used for online transaction fraud which there is a relation between service/goods provider and consumer. It means that it cannot be used for the other way around. The next question is then what law can be used to deter those kinds of fraud. Using the systematic interpretation, if the *lex specialis* does not cover or can be used to deter the electronic transaction fraud, the law enforcement would use the *lex generali* (general rule) which is Indonesia Criminal Code (KUHP). Unfortunately, this kind of measure will consider the electronic transaction fraud as conventional one, with the risk of the electronic evidence will not necessarily acknowledged.

Comparing the norm in Article 28 (1) Law 11/2008 to the norm of fraud in Indonesia Criminal Code, it is obvious that the formulation in Indonesia Criminal Code is more comprehensive. Indonesia Criminal Code has the basic norm and the qualifications. The basic norm of it is in Article 378:

"Any person who with intent to unlawfully benefit himself or another, either by assuming a false name or a false capacity, or by crafty artifices, or by a web of fictions, induces someone to deliver any property or to negotiate a loan or to annul a debt, shall, being guilty of fraud, be punished by a maximum imprisonment of four years."

Bemmelen, explained that the law maker intended to give some limitation of fraud act methods, that is only:

- a. Usage of false name, or
- b. False capacity,
- c. Crafty artifices, or
- d. With chains of lies/web of fictions.¹⁵

The purpose of the fraud is to make the victims hand over item(s) to the perpetrator, which the perpetrator knows if the victims have known the real circumstances, the victims would not hand over the item(s).¹⁶ Comparing to the phrase used in Article 28 (1) Law 11/2008 is only 'message of falsehood and misleading', the norm in the Criminal Code is more comprehensive.

The enforcement using Indonesia Criminal Code to deter online transaction fraud that is not covered in Article 28 (1) Law 11/2008 has disadvantages. Beside the difference of the criminal sanction, Indonesia Criminal Code using Law 8/1981 as the criminal procedure law. The Law 8/1981 only recognize five types of evidence, which are:

1. Witness
2. Letter
3. Expert opinions
4. Defendant statements
5. Clues

Law 11/2008 had acknowledged electronic evidence. The acknowledgement is very fundamental to the law enforcement, since everything within online transaction such as the agreement, the payment, etc. is electronic information. That is why using Indonesia Criminal Code to deter online transaction fraud is a setback to law enforcement, but it is still better to do so than the perpetrator is not processed.

CONCLUSION

If the lawmaker wanted to be consistent to build new regime of cyber law that had been stated in Indonesia Law 11/2008, then the norm construction in Article 28 (1) Law 11/2008 should have reformulated, since the *actus reus* is only within the scope of consumer protection. Fraud, in this particular writing-online transaction fraud, is broader than consumer protection. There are methods beyond it. For those criminal conducts of online transaction fraud outside the scope of consumer protection, the law enforcement still uses the Indonesia Criminal Code. Formulating the norm of online transaction fraud deterrence in Law 11/2008 would give the law enforcement advantage since this Law extend the kind of evidence in the criminal procedure law, which have digital evidence as the additional. Enforcement using Indonesia Criminal Code has weakness since it has not included digital evidence in the criminal procedure law.

¹⁵ J.M. van Bemmelen, 1986, *Hukum Pidana 3: Bagian khusus delik-delik khusus*, Binacipta, Bandung, p. 146.

¹⁶ *Ibid.*

References

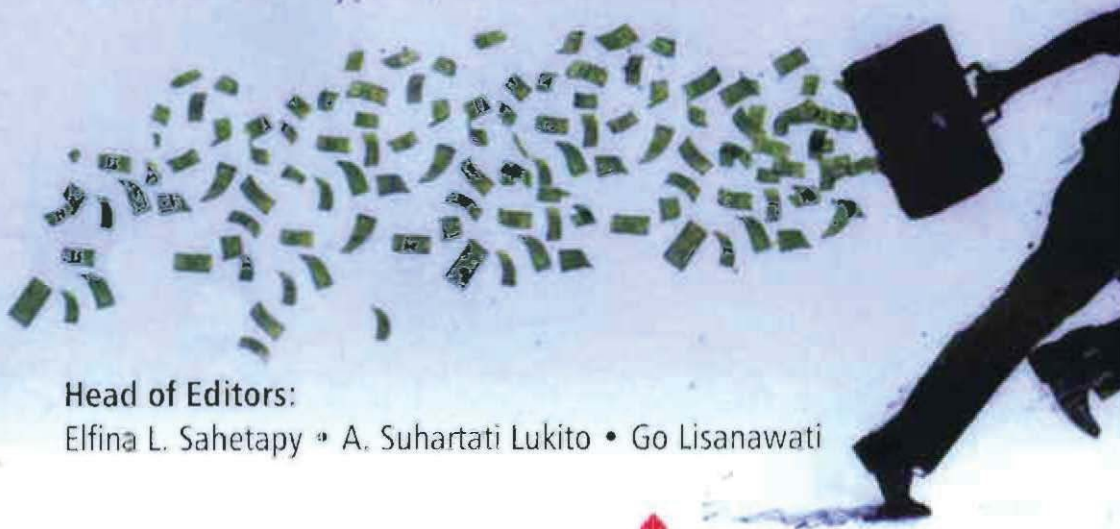
- Chazawi, Adami and Ardi Ferdian, *Tindak Pidana Informasi dan Transaksi Elektronik*, Media Nusa Creative: Malang, 2015
- Bemmelen, J.M. van, *Hukum Pidana 3: Bagian khusus delik-delik khusus*, Binacipta: Bandung, 1986
- Hamzah, Andi, *Delik-delik Tertentu (Speciale Delicten) di Dalam KUHP*, Sinar Grafika: Jakarta, 2014
- Lamintang, P.A.F., *Dasar-dasar Hukum Pidana Indonesia*, Citra Aditya Bakti, Bandung, 1997
- Lamintang, P.A.F. and C. Djisman Samosir, *Delik-delik Khusus: Kejahatan yang Ditujukan Terhadap Hak Milik dan Lain-lain Hak yang Timbul dari Hak Milik*, Tarsito: Bandung, 1990
- _____, *Hukum Pidana Indonesia*, cet. III, Sinar Baru: Bandung, 1990
- Marpaung, Leden, *Asas Teori Praktik Hukum Pidana*, Sinar Grafika, Jakarta, 2005
- Mertokusumo, Sudikno, *Mengenal Hukum: Suatu Pengantar*, Liberty: Jogjakarta, 2002
- Moeljatno, *Fungsi dan Tujuan Hukum Pidana Indonesia*, Bina Aksara: Jogjakarta, 1985
- Purwoleksono, Didik Endro, *Kapita Selekta Hukum Pidana*, Surabaya, 2010
- Saleh, Roeslan, *Sifat Melawan Hukum Dari Perbuatan Pidana*, Aksara Baru: Yogyakarta, 1983
- Soesilo, R., *Kitab Undang-undang Hukum Pidana; Serta Komentar-komentarnya Lengkap Pasal Demi Pasal*, Politeia: Bogor, 1996
- Tresna, R., *Azas-azas Hukum Pidana*, Pustaka Tinta Mas, 1994
- Utrecht, E., *Hukum Pidana 1*, Pustaka Tinta Mas: Bandung, 1986
- Youngblood, James, *A Comprehensive Look at Fraud Identification and Prevention*, CRC Press: New York, 2015
- Wall, David, *Crime and The Internet*, Routledge: New York, 2001

Website

- Indonesian Chambers of Commerce and Industry: Business Support Desk, <http://www.bsd-kadin.org/news/news-detail/id/83>
- Tribun News, <http://www.tribunnews.com/nasional/2014/05/13/transaksi-kejahatan-daring-kian-meningkat>
- CNN Indonesia, <http://www.cnnindonesia.com/teknologi/20160122170755-185-106096/nilai-transaksi-e-commerce-di-indonesia-menggiurkan>
- Kata Data News and Research, <http://katadata.co.id/telaah/2015/12/18/indonesia-pasar-e-commerce-terbesar-di-asean-dengan-banyak-kendala>
- Indonesia Tech in Asia, <https://id.techinasia.com/daniel-tumiwa-menyanggah-mitos-seputar-ecommerce-di-indonesia>
- Deal Street Asia, <http://www.dealstreetasia.com/stories/indonesia-online-commerce-to-touch-25b-by-2016-9240/>

TACKLING FINANCIAL CRIMES

VARIOUS INTERNATIONAL PERSPECTIVES



Head of Editors:

Elfina L. Sahetapy • A. Suhartati Lukito • Go Lisanawati

GENTA
PUBLISHING


UBAYA
UNIVERSITAS SURABAYA
Criminal Law Department
Faculty of Law, University of Surabaya

TACKLING FINANCIAL CRIMES

VARIOUS INTERNATIONAL PERSPECTIVES

Act No 19 of 2002 of Copyright

Scope Of Copyright

Article 2

1. Copyright shall mean the exclusive right of an Author or a Copyright Holder to publish or reproduce his/her work, which emerges automatically after the creation of the work without prejudice to restrictions pursuant to the prevailing laws and regulations.

Criminal Provisions

Article 72

1. Any person who deliberately and without right conducts any acts as referred to in Article 2 paragraph (1) or Article 49 paragraphs (1) and (2) shall be sentenced to imprisonment of at least 1 (one) month and/or a fine of at least Rp. 1,000,000.- (one million rupiah) or imprisonment of at most 7 (seven) years and/or a fine of at most Rp. 5,000,000,000. (five billion rupiahs)
2. Any person who deliberately broadcasts, exhibits, distributes, or sells to the public a work or goods resulting from an infringement of copyright or related rights as referred to in paragraph (1) shall be sentenced to imprisonment of at most 5 (five) years and/or a fine of at most Rp. 500,000,000.- (five hundred million rupiahs).

TACKLING FINANCIAL CRIMES

VARIOUS INTERNATIONAL PERSPECTIVES

Head of Editors:

Elfina L. Sahetapy • A. Suhartati Lukito • Go Lisanawati

GENTA
PUBLISHING


UBAYA
UNIVERSITAS SURABAYA
Criminal Law Department
Faculty of Law, University of Surabaya

Tackling Financial Crime
Various International Perspectives

• Criminal Law Department - Faculty of Law, University of Surabaya

All Rights Reserved
2017

Head of Editors : Elfina L. Sahetapy, A. Suhartati Lukito and Go Lisanawati
Cover design : Pressy design
Lay Out : Ibnu T
Preprinted : Arlisa St. Zahra
production : Nasrullah Ompu Bana

Publishing

GENTA
PUBLISHING

Perum Pring Mayang Regency 2 Kav. 4
Jl. Rajawali Gedongan Baru
Banguntapan, Bantul-Yogyakarta
INDONESIA
Telp. 081 332 732 896
WA. 081 234 526 582
BBM. SBDAAE37
E-mail: redaksigenta@yahoo.com

Elfina L. Sahetapy, A. Suhartati Lukito and Go Lisanawati
Tackling Financial Crime Various International Perspectives

Yogyakarta: GENTA Publishing 2017
x + 408 pages: 155 X 240 mm

ISBN: 978-602-1500-89-7

Foreword

Economy development is every country's agenda, but the developments come with challenges. Beside the wrongful acts of people who wanted to gain personal profit wrongfully, they are also legal methods or governance failure could result a crack in a system which can suppress the development itself.

Economy development comes along with the financial crime. Global development also makes country "borderless". Financial crime become the problem of all countries. It becomes every country's concern. That is why, perspectives on how to prevent and eradicate financial crime are necessity. Creating a regime that holds the agenda of financial crime prevention and eradication is very important. Thus, it is important to have academicians and practitioners ideas in a book that elaborates current issues in building the regime, including the obstacles and accomplishment.

This book divided into four chapters, each chapter composing ideas that associating criminal law to the financial crime context. The contributors from academicians shown the strong points of theoretical approach, while the legal practitioner gave their perspective of experience and theories. Chapter one discuss about criminal law principle implementation toward financial crime context, with perspectives in Indonesia and Thailand context. Chapter two is about current issues of financial crimes, with some global and local context elaboration from the contributors. Chapter three is about money laundering and the principles of criminal law implementation in some countries context, While chapter four discuss about anti-corruption regime building in Canada, Thailand and Indonesia.

I am very grateful to the contributors who gave their positive support and excellent ideas in this book. Also the support from University of Surabaya-Indonesia, United States Department of Justice-USA, Thammasat University-Thailand, which are involved in making this publication possible. I also hold dearly our colleague, one of the contributor in chapter one who recently passed away, Shinta Agustina, may she rest in peace and let this book be one of her legacy.

Last but not least, I hope this book can contribute significantly toward the regime of financial crime prevention and eradication, and can be used as a good resource for legal practitioners, academicians, and law students.

Dr. Elfina L. Sahetapy
Head of Editorial Board

Contents

Foreword.....	v
Contents	vii
CHAPTER 1: UNDERSTANDING CRIMINAL LAW PRINCIPLES AND ITS IMPLEMENTATION IN THE CONTEXT OF FINANCIAL CRIME	1
1. Criminalising Remote-Harm Conducts; Are they Wrongful? <i>Ronnakorn Bunmee</i>	3
2. Reevaluation of Implementation of Secondary Function of Criminal Law in Economic Crime <i>Yoserwan</i>	27
3. Optimizing Corporate Criminal Liability in Combating Financial Crimes <i>Shinta Agustina</i>	41
4. CRIMINAL RESPONSIBILITY OF FINANCIAL CRIME IN INDONESIA <i>Salman Luthan</i>	57
5. VICTIMIZATION BY CORPORATION IN INDONESIA <i>Elfina L. Sahetapy</i>	65
6. A Reflection Towards Criminal Law Formulation Policy in Dealing with Koperasi's Criminal Act <i>Christina Maya Indah S</i>	71
7. Criminal Sanctions Against Corporations Conducting Crime Money laundering <i>Sri Sulastri</i>	83
8. The Liability of Corporate Officers Regarding State Loss in The State-Owned Limited Liability Company Managements <i>Ivan Satria Wijaya</i>	91
9. Paradigm: Death Penalty and Proportionality Principle <i>Sari Mandiana</i>	101
CHAPTER 2: CURRENT CRIMES REGARDING FINANCIAL CRIME ISSUES, IDENTIFICATION, AND METHODS OF PREVENTION.....	113
1. APPLYING FINANCIAL INTELLIGENCE APPROACH TO COUNTER TERRORISM <i>Agus Santoso</i>	115
2. COUNTER-MEASURES AGAINST TERRORISM PROBLEM AND PROSPECT IN INDONESIA <i>Romli Atmasasmita</i>	129

3. Does Financial Crime is Result of Legal Methodology Failures' in Capitalist Economic System? An Approach for Reconciling Law with Economic Reality <i>Mohammad Sadeghi</i>	151
4. ONLINE TRANSACTION FRAUD METHODS IN INDONESIA AND THE NORM OF DETERRENCE: THE CHALLENGES AND OBSTACLES <i>Anton Hendrik Samudra, Andrian Julius</i>	165
5. Protection Of Consumer E-Commerce <i>Wilma Laura Sahetapy</i>	173
6. Measuring Regulation of Terrorism Financing in Indonesia Under The Lens of International Convention <i>Rusmilawati, Ermania</i>	185
7. Regulation on Restriction of Cash Transaction to Prevent and to Eradicate Financial Crime <i>Peter Jeremiah, Bernadetha Febriana</i>	201
8. IDENTITY DOCUMENT FORGERY AS A TECHNIQUE IN COMMITTING BANK CRIME <i>Ermania Widjajanti</i>	213
9. THE POTENCY OF STATE LOSS AS THE IMPACT OF THE INTELLECTUAL PROPERTY RIGHTS VIOLATION <i>Yon Nursari Simanjuntak</i>	223
10. The Role of Advocates in Minimizing Transfer Pricing In Indonesia <i>E.L. Sajogo</i>	231
11. PREVENTION AND ERADICATION OF FINANCIAL CRIME SECTOR IN INDONESIA <i>Yudi Kristiana</i>	241
CHAPTER 3: MONEY LAUNDERING: SOURCES, PRINCIPLES AND MANIFESTATION.....	247
1. LEARNING FROM THE THEORY OF "CRYING WOLF" TO ASSESS CASH COURIER REPORTING ACTIVITIES TO COMBAT MONEY LAUNDERING <i>Go Lisanawati</i>	249
2. Money Laundering, And The Law Enforcement Effort Under The Law On Money Laundering <i>Derry Angling Kusuma</i>	261
3. The Evolution of AML/CFT Legislative and Regulatory Regimes in the UAE: Trends and Issues <i>Tatyana Gibbs</i>	273

TACKLING FINANCIAL CRIMES

VARIOUS INTERNATIONAL PERSPECTIVES

The development of crime, in this particular financial crime, has massively increased. Its manifestation has become major problems in all countries. The variety of financial crime manifestation can be understood such as fraud, corruption, money laundering, financing of terrorism and proliferation, cyber laundering, etc. These kinds of financial crime have attracted all the nations concern to build a good regime of the prevention and eradication against these crimes. The instrument of law such as criminal law and international law plays an important role in eradication while it is easily to mention that those variety of crimes has its characteristic as transnational crime and should be categorized as extraordinary crime.

Criminal law in its function to be a law which can maintain peace living between offender-victim and society of states shall be reconstructed to achieve its goals. Criminal law is not only about punishment. The problem of financial crime will need refunctioning of criminal law in all areas, national and international.

Emphasizing on the current condition, in global context economic growth is significant. In particular, Asia-Pacific is the fastest growing economic region and the largest continental economy by gross domestic product (GDP) purchasing power parity in the world. Therefore, it is important for all countries to keep the integrity of the economies from subversive wrongful actions.

This book is suitable for law students, legal practitioner, and people who interested in area of building a good regime in financial crime prevention and eradication.

List of Editors:

Elfina L. Sahetapy	(Indonesia)
A. Suhartati Lukito	(Indonesia)
Go Lisanawati	(Indonesia)
Hwian Christianto	(Indonesia)
Anton Hendrik S.	(Indonesia)
Mark Rix	(Australia)
Narong Jaiharn	(Thailand)
Pokpong Srisanit	(Thailand)
Ronnakorn Bunmee	(Thailand)
Mohammad Sadeghi	(Iran)
Tatyana Gibbs	(United Arab Emirates)

GENTA
PUBLISHING


UBAYA
UNIVERSITAS SURABAYA
Criminal Law Department
Faculty of Law, University of Surabaya

ISBN 978-602-1500-89-7



9 786021 150089