

Criminal Law Policies in an Effort to Tackle Criminal Acts of Terrorism Financing

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Abstract: The issues that will be discussed in this research include what are. This research was initiated by the development of terrorist groups that request donations from individuals or groups or foundations, or corporations. Likewise, this writing aims to prevent the collection of funds to finance terrorist activities using corporations. Identifying Beneficial Owners of Corporations is very important in preventing criminal acts of terrorism financing. This article uses normative legal research methods. The sources of legal materials used are primary legal materials and secondary legal materials. The procedure for collecting legal materials in this article is to study library materials. Analysis of legal material sources was carried out descriptively. Empowering in its concretization, legal products related to terrorism funding need to be harmonized and renewed. Because of this, the existing law should be updated to suit developments and the modus operandi of terrorist organizations in raising funds so that the abuse of corporations as a vehicle for committing criminal acts of terrorism funding can be prevented and eradicated.

1. Introduction

Terrorism, as a type of Activity of Transnational criminal organizations, is a crime that is very feared, considering the threats and consequences that arise are pretty broad, which include: threats to sovereignty; society; individuals; national stability; towards democratic values and public institutions; on the national economy; against financial institutions; against democratization; and on development. Because of that, it is difficult not to remember the activities of the terrorists, let alone supported by reports on various television media, newspapers, magazines, and websites that display images of violence perpetrated by terrorists and the victims that fell.¹

Thus, terrorism can be interpreted as acts of violence or threats to commit acts of violence aimed at random targets (no direct relationship with the perpetrators), which result in destruction, death, fear, uncertainty, and mass despair. The acts of terrorism are carried out to impose their will on parties considered opponents by terrorist groups so that their interests are recognized and respected.² In fact, as stated by Muhammad Ali Zaidan.³ The criminal act of terrorism, in addition to

¹ Ilmi Vediani, "Penerapan Costumer Due Dilligence (CDD) Dalam Pencegahan Pendanaan Terorisme Melalui Perbankan," *Dialogia Iuridica*, (May 6, 2017), <https://doi.org/10.28932/di.v7i2.717>.

² Isnaini Ridha Maulida, "ISSU MASYARAKAT GLOBAL," *Jurnal Bakti Sosial*, (August 7, 2022), <https://jurnal.asrypersadaquality.com/index.php/baktisosial/article/view/6>.

³ Muhammad Ali Zaidan, "PEMBERANTASAN TINDAK PIDANA TERORISME (PENDEKATAN KEBIJAKAN KRIMINAL)," *Journal.Unnes.Ac.Id*, (May 31, 2017), <https://doi.org/10.15294/snh.v3i1.20932>.

various other forms of radicalism, is a crime that is classified as an extraordinary crime. In addition, these crimes are crimes against humanity that receive strong condemnation from every nation.

Therefore, it is not surprising that the word terrorism is so interesting to be discussed and debated, especially after the September 11, 2001 tragedy in the United States and the tragedy in Bali on October 12, 2002, which killed 202 innocent people, 164 of whom were foreign citizens. From 24 countries, 38 other people were Indonesian citizens, and 209 were injured.⁴ To respond to activities in several countries, especially after the September 11, 2001 tragedy, the FATF has issued a policy in the form of Special Recommendations on Terrorist Financing. In this recommendation, the FATF stated that it is necessary to take action to combat the financing of terrorism. Recognizing the importance of taking action to combat the financing of terrorism, the FATF has approved the recommendation, which, combined with the FATF's Forty Recommendations on money laundering, serves as the basic framework for detecting, preventing, and suppressing the financing of terrorism and terrorist acts.⁵

The scope of the Special Recommendations (SR) includes, among other things, the necessity for each country to take immediate steps to ratify and fully implement the United Nations International Convention for the Suppression of the Financing of Terrorism 1999 concerning Combating the Financing of Terrorism. For this reason, various parties are asked to prevent and stop terrorist financing, both directly and indirectly, and identify, freeze, and confiscate the allocation of funds for terrorist activities. By the Special Recommendation, Indonesia has proactively first through Law No. 6 of 2006 concerning the Ratification of the International Convention for the Suppression of the Financing of Terrorism, 1999 (International Convention for Combating the Financing of Terrorism, 1999) April 5, 2006 (State Gazette of 2006 Number 29). As a follow-up to the Ratification, Criminalizing the financing of terrorism and associated money laundering has been regulated in Law No. 9 of 2013 concerning the Prevention and Eradication of Criminal Acts of Terrorism Financing, March 13, 2013 (State Gazette of 2013 No. 50). With the promulgation of Law no. 9 of 2013, Indonesia already has a legal basis to oppose the criminal act of financing terrorism, both nationally and internationally as has been stated.⁶

In connection with the rampant coverage in various mass media regarding the disclosure of fundraising practices carried out by the terrorist group Jemaah Islamiyah (JI) some time ago (August 2021), the public has been astounded because those who donate funds think that the boxes marked with charity boxes scattered in various places are being used for good purposes for the advancement of society, not diverted to fund terrorist groups. With such a mode, it means that the public has been tricked or lied to by the terrorist group. Therefore, further regulation is needed regarding requests for donations from individuals, groups, foundations, or corporations whose identity is not clear as a preventive measure. Borrowing in medical terms: "prevention is better than cure", likewise, with efforts to prevent the collection of funds to finance terrorist activities through corporations. Identifying Beneficial Owners of Corporations is very important in preventing criminal acts of terrorism financing.

⁴ M. Arief Amrullah, "The Countermeasure Of Criminal Act Of Terrorism Financing Through Money Laundering," *Pattimura Law Journal* 6, no. 2 (March 31, 2022): 49, <https://doi.org/10.47268/palau.v6i2.949>.

⁵ Normah Omar, Zulaikha Amirah Johari, and Roshayani Arshad, "Money Laundering - FATF Special Recommendation VIII: A Review of Evaluation Reports," *Procedia - Social and Behavioral Sciences* 145 (August 1, 2014): 211-25, <https://doi.org/10.1016/j.sbspro.2014.06.029>.

⁶ Erwin Asmadi, "PERAN PERBANKAN DALAM PENCEGAHAN PENDANAAN TERORISME," *De Lega Lata: Jurnal Ilmu Hukum* 1, no. 1 (March 4, 2017): 57-84, <https://doi.org/10.30596/dll.v1i1.782>.

Don't let it be like what happened on the African continent because, as Waziri Adisa wrote.⁷ Terror attacks continue to inflict significant harm on people, especially in the West African sub-region where Boko Haram and the Islamic State of West Africa Province have remained active over the last decade. The security threat posed by the Boko Haram insurgency to the West African sub-region has demonstrated the role of transnational organized crime and terrorist financing. Boko Haram and ISIS in Nigeria have successfully maintained their campaigns based on financing from multiple sources within transnational criminal networks. For this reason, cutting the chain of funding sources is essential.

Based on the description above, it is urgent and exciting to conduct a study entitled Prevention of the Use of Corporations as a Means of committing criminal acts of terrorism financing, considering that this study is similar to the study entitled "the role of financial technology in preventing the financing of terrorism".⁸ And a study entitled "criminal law policies in an effort to tackle criminal acts of terrorism financing". It has not explicitly reviewed and analyzed the prevention of the use of corporations as a means of committing criminal acts of terrorism funding so that understanding and input can be obtained so that criminal acts of terrorism can be adequately prevented through an understanding of the role and benefits of corporations.

2. Method

This research includes the type of normative legal research (legal research) or doctrinal research. The approach used in this study is the legislation and conceptual approach. The statutory approach (statute approach) is made by reviewing all laws and regulations related to the issues being addressed. The conceptual approach proceeds from the views and doctrines developed in the science of law. By studying it, researchers will find ideas that give birth to legal notions, concepts, and principles relevant to the issues. This is a backup for researchers in building a legal argument for solving the issues. Sources of legal materials researchers use are primary and secondary legal materials.

3. Get to know the Corporate Benefit Users

As has been stated by the United Nations Office on Drugs and Crime (UNODC) that terrorist groups need money to sustain them in carrying out terrorist acts. Terrorist financing includes the means and methods used by terrorist organizations to finance their activities. The money can come from legitimate sources, for example, from the profits of businesses and charitable organizations. But terrorist groups can also get funding from illegal activities such as trading weapons, drugs, or people or kidnapping for ransom. It was further stated fighting terrorist financing is a very complex effort involving many different actors, of course, also at high costs.

One of the sources of funding, besides those mentioned by UNODC, is the use of corporations to raise funds. To prevent corporations from being misused as a means to finance terrorism, the Government has issued Presidential Regulation No. 13 of 2018 (Perpres) concerning the Ap-

⁷ Waziri Adisa, "TRANSNATIONAL ORGANIZED CRIME, TERRORIST FINANCING AND BOKO HARAM INSURGENCY IN NIGERIA," *Journal of Terrorism Studies* 3, no. 1 (May 30, 2021), <https://doi.org/10.7454/jts.v3i1.1028>.

⁸ Clarisa Permata Hariono Putri and Go Lisanawati, "Peran Teknologi Finansial Dalam Pencegahan Pendanaan Terorisme," *Jurnal Hukum Ius Quia Iustum* 30, no. 1 (January 1, 2023): 70-90, <https://doi.org/10.20885/iustum.vol30.iss1.art4>.

plication of the Principle of Recognizing Beneficial Owners of Corporations (State Gazette of 2018 Number 23) dated March 5, 2018. The issuance of the Presidential Decree is a response to a recommendation from the Financial Action Task Force (FATF) regarding Transparency and beneficial ownership of legal persons. Therefore, the legal spirit that underlies it cannot be separated from the development of criminal acts that use corporations as a means to commit Money Laundering and Terrorism Financing Crimes, namely as follows: a). whereas money laundering and terrorism financing crimes can threaten the stability and integrity of the economic and financial systems and endanger the foundations of social, national, and state life based on Pancasila and the 1945 Constitution of the Republic of Indonesia; b). whereas based on international standards in the field of prevention and eradication of money laundering and terrorism financing crimes, it is necessary to have arrangements and mechanisms to identify beneficial owners of a corporation to obtain information regarding beneficial owners that are accurate, up-to-date and available to the public; c). that corporations can be used as a means either directly or indirectly by perpetrators of criminal acts who are the beneficial owners of the proceeds of money laundering and terrorism financing, so far there has been no regulation so that it is necessary to regulate the application of the principle of recognizing the beneficial owners of corporations.⁹

Referring to the spirit of the law, there is a regulatory vacuum related to the beneficial owners of corporations because Law Number 8 of 2010 concerns the Prevention and Eradication of Money Laundering Crimes (State Gazette of 2010 Number 122) from now on referred to UUTPPU. Article 6 (1) UUTPPU only stipulates that if the Act of Money Laundering, as referred to in Article 3, Article 4, and Article 5, is carried out by a Corporation, the punishment shall be imposed on the Corporation or Corporate Controlling Personnel. There are no further provisions or explanations regarding what Corporate Controlling Personnel means. Likewise, as stated in the speech by the head of PPATK, the regulations in Law Number 8 of 2010 are limited. They cannot yet explain the need to apply the principle of beneficial ownership of a corporation.¹⁰

Unlike Ireland, that country has regulated beneficial owners through Article 3 (6) of AMLD, that a Beneficial Owner is any natural person(s) who ultimately owns or controls a legal entity, either through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in the entity, including through bearer shareholdings, or control via other means. Considering that there is a vacuum in the UUTPPU regulations, Presidential Decree No. 13 of 2018 has been regulated that applying the principles regarding Beneficiary Owners of corporations includes: 1). Limited liability company; 2). Foundation; 3). Association; 4). Cooperative; 5). Commentary fellowship; 6). firm partnership; and 7). Other forms of corporation.

Provisions formulated in Presidential Decree No. 13 of 2018 can be related to Steven Boxm's views regarding the scope of corporate crime as follows; a). Crime for the corporation (corporate crime): crimes committed by corporations to achieve corporate goals by obtaining profits for corporate interests; in other words, corporate crime is committed to the corporate and not against it; b).

⁹ Dyah Tiara Putri Anggraeni, "THE POTENTIAL OF DIGITAL RUPIAH AS A NEW SOLUTION TO COMBAT CORRUPTION IN INDONESIAN GOVERNMENT," *Journal.lkopin.Ac.Id*, (January 28, 2022), <https://doi.org/10.32670/fairvalue.v4iSpesialIssue3.888>.

¹⁰ Wawan Setiawan, "PENYIDIKAN DAN PENUNTUTAN TINDAK PIDANA KEHUTANAN BERDASARKAN PASAL 111 UNDANG-UNDANG NO.18 TAHUN 2013 TENTANG PENCEGAHAN DAN PEMBERANTASAN PERUSAKAN HUTAN," *Lex LATA*, (April 27, 2022), <https://doi.org/10.28946/lexl.v3i1.822>.

Crime against corporation (employee crime): crimes against corporations, for example, a treasurer who steals corporate money. In this case, the target of crime is the corporation, so the corporation becomes the victim; c). Criminal corporations: corporations are used as a means to commit crimes. The corporation is deliberately set up to carry out expropriation or control for specific purposes and purposes in committing criminal acts.¹¹

Box's view is relevant to the activities carried out by the Jemaah Islamiyah (JI) network, namely, as stated by the Head of Operational Assistance Unit Densus 88, Kombes Aswin Siregar, on 20 August 2021, that Densus 88 arrested 50 suspected terrorists of the Jemaah Islamiyah network during the period August 2021. According to Aswin, they distributed thousands of charity boxes in different locations. There can be a thousand or 2,000 boxes in one city or province, and the places are scattered everywhere in the community.

Based on the facts revealed by Detachment 88, various methods were used to obtain funds from the public to finance the operational activities of the Jemaah Islamiyah terrorist group. The group also has a charitable foundation called Lembaga Amal Zakat Baitul Maal Abdurrahman Bin Auf (LAZ BM ABA), which is used as a vehicle for terrorist financing. Another fact shows a flow of funds from the Jemaah Islamiyah terrorist group to finance workshops to supply homemade firearms.

Referring to this fact, it becomes justification that foundations or corporations, which are legal subjects, have been used to finance terrorist activities. Therefore, for those involved in prosecuting terrorism, both administrators and foundations or corporations can be held accountable under criminal law. By criminal law theory, both legal entities cannot be held criminally accountable if they commit prohibited acts. Therefore, anyone who uses a Foundation or Corporation to commit a Terrorism Financing Crime is a prohibited act, so he can be held criminally responsible.

To prevent foundations or corporations from being used as a means to commit crimes, including the crime of financing terrorism. Article 18 Presidential Decree No. 13 of 2018 stipulates that Corporations are required to submit correct information regarding Beneficiaries to Authorized Agencies, and in submitting this information must be accompanied by a statement from the Corporation regarding the correctness of the information submitted to Authorized Agencies. The parties that can convey information on the Beneficiary Owner of the Corporation include a. the founder or management of the Corporation; b. Notary Public; or c. other party authorized by the founder or management of the Corporation to convey information on the Beneficiary of the Corporation.

By the concept of Beneficial Owner (BO) regulated in the Financial Action Task Force (FATF) Recommendations regarding Transparency and beneficial ownership of legal persons, states must take steps to prevent corporate misuse for terrorist financing. For this reason, the State must ensure adequate and accurate information about beneficial ownership and control over corporations that authorized bodies can obtain or access. More specifically, countries with corporations that can issue bearer shares or bearer share warrants or allow nominees for shareholders or directors must take practical steps to ensure that they are not misappropriated for terrorist financing.

In addition, the State should also consider measures to facilitate access to information on beneficial ownership and control by financial institutions and non-financial institutions that carry

¹¹ Ikka Puspitasari and Erdiana Devintawati, "Urgensi Pengaturan Kejahatan Korporasi Dalam Pertanggungjawaban Tindak Pidana Korporasi Menurut RKUHP," *Kanun* (Banda Aceh) 20, no. 2 (August 18, 2018): 237-54, <https://doi.org/10.24815/kanun.v20i2.10661>.

out the requirements set out in Recommendation 10, which in essence stated, that financial institutions should be required to verify the identity of the user and the beneficial owner before or during establishing a business relationship or making transactions for the user. Therefore, States should encourage financial institutions to complete verification as soon as possible after establishing the relationship between the financial institution and the user. The aim is to prevent the risk of money laundering and terrorist financing in the business sector. The FATF Recommendations aim to prevent the abuse of legal entities or corporations from being abused for malicious purposes.

FATF Recommendation, in Presidential Decree No. 13 of 2018, among other things, it has been regulated to recognize Beneficiaries of Corporations, namely in Article 14 (1) obliges corporations to apply the principle of recognizing Beneficiaries of Corporations. For this reason, in paragraph (2), the Corporation is obliged to appoint officials or employees. It implements the principle of recognizing Beneficiaries of Corporations and providing information about the Corporation and the Beneficiaries of the Corporation upon request by the Authorized Agencies and law enforcement agencies.

Therefore, Article 18 requires Corporations to submit correct information regarding Beneficiary Owners to Authorized Agencies. In submitting this information, it must be accompanied by a letter from the Corporation regarding the accuracy of the information submitted to the Authorized Agency. The parties that can convey information on the Corporation's Beneficiary Owners include the Corporation's founders or management, the Notary Public, or other parties authorized by the founders or management of the Corporation to convey information on the Beneficiary of the Corporation. With the obligation to convey correct information to the competent authorities, clarity will be obtained about the actual beneficiaries, making it easier for law enforcement to recognize them if the Corporation is used to commit acts of terrorism financing.

4. Utilization of Nonprofit Organizations

As revealed by the Special Detachment (Densus) 88 Anti-terror of the Indonesian National Police regarding the use of foundations to finance the activities of terrorist groups. The presence of corporations in providing funding for the smooth operation of the JI terrorist group deserves attention. Various laws and regulations have reminded us of the potential for corporations to finance terrorist groups. The flow of funds disclosed by the Head of the Public Relations Division of the National Police, Inspector General Argo Yuwono, in his press release to journalists on Saturday, 21 August 2021, shows evidence of corporate involvement in a network of terrorist financing crimes.

Bearing in mind that when raising funds for the operational needs of terrorist groups, it is not uncommon to use non-profit organizations (NPOs). For this reason, each country must review the adequacy of laws and regulations governing corporations that can be misused for terrorism funding. Non-profit organizations are very vulnerable. Therefore the government must ensure that NPOs cannot be misused by terrorist organizations as a means for terrorist financing, including to prevent assets from blocking efforts and concealing or disguising illicit fund transfers intended for terrorist organizations' interests.

In its development, fund transfer facilities can be carried out without using financial services as an alternative (Alternative Remittance). Alternative Remittance can help send money between countries, especially for those with difficulty accessing official financial services such as banks.

According to the Financial Transaction Reports and Analysis Center (PPATK), Alternative Remittance was chosen as an alternative in remittances due to several factors, including the relatively low cost of sending and the relatively quick time it takes to deliver money to the beneficiary compared to transfer services provided officially by the industry Finance.

Thus, the initial problem is access to official financial services such as banks and options for lower shipping costs than if done through these official financial services. In such conditions, it creates a criminological factor because some people can misuse Alternative Remittance services to finance terrorist activities. According to PPATK, in Indonesia today, many individuals or non-financial business entities provide money transfer services, such as courier services, which also provide money transfer services. In addition, these delivery service businesses are sometimes not equipped with the complete identity of the sender or recipient of funds, so Alternative Remittance services are not detected in the financial system.

Relaxing these requirements makes delivery service businesses other than those carried out by the financial industry more attractive, whether for criminal purposes to fund terrorist activities or otherwise. Because the tendency of today's society is not so fond of being burdened with filling out various requirements. The point is how all of that can be done quickly and easily. To prevent the development of off-track delivery services organized by the financial industry, it is necessary to put some order into place in the government so that the proceeds from fundraising activities do not easily reach recipients to finance terrorist activities.

To prevent fundraising from being channeled for the benefit of terrorist groups, including the JI terrorist group, it is imperative that the implementation of Law No. 9 of 1961 concerning Collection of Money or Goods (State Gazette of 1961 No.214), dated May 10, 1961, so that the purpose of raising funds as previously done by JI could be prevented. This is by the spirit of the making of Law No. 9 of 1961 is based on, that the collection of money or goods from the community needs to be aimed at efforts to develop social welfare to achieve a just and prosperous society based on Pancasila. Therefore, Article 2 paragraph (1) of Law No. 9 of 1961 stipulates that prior permission from the authorized official is required to organize a collection of money or goods. Because, as was done by JI, the public did not know whether the charity boxes were deposited in various places, for example, in restaurants, or distributed if the proceeds were used to fund the activities of terrorist groups.

Article 3 of Law no. 9 of 1961 regulates that permission to collect money or goods is granted to associations or social organizations with the intention of not contradicting statutory provisions. As for the meaning of collecting money or goods in Law No. 9 of 1961 is every effort to obtain money or goods for development in social welfare, mental/religious/spiritual, physical, and cultural fields. So obviously is for development purposes.

The procedure for an application letter to obtain a permit to collect money or goods, based on the provisions of Article 5 paragraph (1) of Law no. 9 of 1961, was submitted without a stamp duty directly to the permitting official. Furthermore, based on Article 5 paragraph (2) of Law no. 9 of 1961, the permit application letter must be clearly explained; a). The purpose and objective of collecting money or goods; b). How to organize; c). Who organizes; d). Implementation time limit; e). The extent of implementation (region, class); f). How to distribute.

Then, Article 5 paragraph (3) of Law no. 9 of 1961 stipulates that the decree on granting permits contains the terms of implementation and the obligation to give accountability to the licensor. This is important so that the licensor can know the use of the given permit so that everything is

controlled to prevent misuse of the given permit. In addition, it is necessary to control and collect data on non-profit organizations by submitting reports to the authorities as required in Presidential Decree No. 13 of 2018. The aim is to prevent fundraising for the benefit of terrorist organizations.

Indeed, internationally, related non-profit organizations (non-profit organizations), abbreviated as NPOs, have been regulated in a particular Recommendation VIII of the FATF, which states that countries must review the adequacy of laws and regulations governing business entities that can be misused for terrorism financing. Given that NPOs are very vulnerable to abuse, countries must guarantee that terrorist organizations use them as a means and exploit legitimate NPOs for terrorist financing, including to avoid assets from asset-blocking efforts and for hiding or disguising illicit funds transfers for the benefit of terrorist organizations.

Regarding the existence of international campaigns against terrorist financing, among others, as stated in Recommendation VIII of the FATF regarding Non-profit organizations, it shows that terrorists and their organizations use the NPOs sector to collect and transfer funds, provide logistical support, encourage terrorist recruitment so that it becomes necessary to be vigilant. This is proven by the disclosure of the case by Detachment 88, that the Jamaah Islamiyah Amal Foundation belongs to the Jamaah Islamiyah terrorist group through various efforts to raise funds such as distributing charity boxes, the proceeds of which, among other things, are channeled to finance workshops for making homemade weapons, training terrorists for self-defense.

According to the FATF, NPOs can appear in various forms, depending on a country's legal system. In FATF member countries, laws and customs recognize associations, foundations, fundraising committees, civic organizations, cooperatives, charities, etc. Based on PPATK's study, several NPOs, domestic and affiliated with foreign countries, in Indonesia are currently spread across various sectors within the scope of authority of several agencies related to the sector in their field. However, there are indications that the large number of NPOs has not been matched by adequate regulation and supervision from various stakeholders in Indonesia. Because of this, as stated by PPATK, the weak regulation and supervision of non-profit organizations in Indonesia can become a loophole for money laundering and terrorist financing practices to enter these organizations. According to PPATK Eradication Deputy Wirzal Yanuar, when opening a discussion on the Implementation of Community Organization Policies in Indonesia in Jakarta on November 4, 2013, he said that currently, there are approximately 127,000 NPOs registered. "The growth in the number of NPOs should be balanced with adequate regulation and supervision," in connection with that, Indonesia has included a comprehensive handling of the NPO sector in the National Strategy for the Prevention and Eradication of ML and the Financing of Terrorism.

Special Recommendation VIII (SR VIII) aims to ensure that NPOs are not abused by terrorist organizations, namely with the criteria; a). NPOs masquerading as legitimate entities; b). to utilize legitimate NPOs as a vehicle for terrorist financing, including to hide assets from asset-blocking actions; or c). to conceal or obscure the clandestine misuse of funds intended for legitimate purposes but misappropriated for terrorist purposes.

Based on these criteria, NPOs are not used to commit crimes, in this case, for terrorist financing. And as stated by UNODC, terrorist groups need money to sustain themselves and to carry out terrorist acts. Terrorist financing includes the means and methods used by terrorist organizations to finance their activities. The financing includes recruiting and supporting members, maintaining the logistics center, and conducting operations. The money can come from legitimate sources, for example, from the profits of businesses and charitable organizations; it can also get funding

from illegal activities such as trafficking in weapons, drugs, or persons or kidnapping for ransom. Efforts to combat terrorist financing are complex, involving many parties, including strengthening regional and international cooperation against terrorism financing. Thus, preventing terrorists from accessing financial resources is critical to successfully countering the threat of terrorism. However, many States lack the legal and operational frameworks and technical expertise necessary to detect, investigate and prosecute cases of terrorist financing.

5. Conclusion

It is very urgent to implement Presidential Decree No. 13 of 2018 because, through this regulation, the Government encourages transparency of beneficial ownership for all corporations in Indonesia by requiring the application of the principle of recognizing beneficial owners and disclosure of BO (beneficial ownership) of a corporation to prevent and eradicate criminal acts of money laundering and financing of terrorism. To be more empowering in its concretization, legal products related to terrorism funding need to be harmonized and renewed. Therefore, Law Number 8 of 2010 needs to be synchronized with Presidential Decree No. 13 of 2018, and Law No. 9 of 1961 should have been updated to suit developments and the modus operandi of terrorist organizations in fundraising so that the abuse of corporations as a vehicle for committing criminal acts of terrorism funding can be prevented and eradicated.

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