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Implementation Vienna Convention As International Standard of Money Laundering And The Efforts Of Prevention And Eradication Money Laundering Crime In Indonesia

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Abstract
This article has an analytical approach towards internasionalization of anti- money laundering and implementation Vienna Convention as international standard of anti-money laundering in Indonesia. Further, it eximes compliance of Indonesia government to Financial Action Task Force (FATF) Eecommendations as derivation of Vienna Convention. The 40 FATF Recommendations are a set of recommendations used as a global standard in building anti-money laundering and counter-terrorism financing regime. The findings indicate that Indonesia have majority compliant to Vienna Convention as derived 40 FATF Recommendation. Overall, Imdonesia has a high level of technical compliance with relevant recommendation. But until year 2021, to 40 FATF Recommendations, Indonesia has no compliance to Recommendation number 7 (Target financing of proliferation sanction) that is Indonesia has not stated and regulated the sanction of proliferation funding. To improve implementation Recommendation 7 Target Financing Proliferation in Indonesia, we take data and information from FATF APG Group of Japan, Singapore dan Austraia in developing legal system of financing proliferation, in order to compare the legal framework of proliferation financing in those countris with situation in Indonesia. Further, we suggest solution of legal policy to improve legal framework of proliferation financing sanction in Indonesia, in line with implementation targeted financial sanctions of proliferation without delay to comply with United Nations Security Council Resolutions.

INTRODUCTION

The pace of technological change has continued to advance significantly over recent years, bringing with it a host of new technologies that has an influence on developments in various sectors [1] especially crime in the banking sectors. This includes industry utilities, biometrics, data analytics, machine learning and blockchain/distributed ledger technology. All of these technologies have significant disruptive or additive potential to tackle financial crime. But adoption of many of these technologies to anticipate with several legislation and regulation have been slower and unable to keep pace with technological change. So, it is essential to

[1] David Rahmadan, "The development of The Crime of Money Laundering in The Industrial Revolution 4.0", *Melayunesia Law* 5, no. 1 (2021): 97.

understand their current capabilities and potential impact new technologies on Anti Money Laundering (AML) activities,[2] efforts to revise the standards and compliance to AML standards. Because there is a significant opportunity to advance efficiency, consumer empowerment, safety and soundness, and anti-money laundering and anti terrorist financing goals together.[3]

The purpose of this study is to describle the implementation Vienna Convention as a International standards of Anti Money Laundering (AML) and efforts Indonesia Government do something prevention and eradiction money laundering crime in Indonesia. There are three conventions of relevance with international attention to money laundering[4], namely: (1) the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psichotropic Substance ("the Vienna Convention"); (2) the United Nations Convention Against Transnational Organized Crime of 2000 ("the Palermo Convention"), and the United Nations Convention against Corruption of 2003 ("UNCAC").

Vienna Convention was attempted to establish a flexible foundation upon which a consensus condemning money laundering could be built which set the basis for the criminalisation of Money Laundering. Importantly, the Vienna Convention obligated the signatories to criminalize the laundering of drug money under their respective domestic laws, provided for the confiscation (i.e., freezing, seizing, and forfeiting) of property involved in or derived from such offenses, established drug money laundering as grounds for extradition among countries, and initiated a process for mutal legal assistance among countries in order to facilitate the investigation and prosecution of those involved in laundering the proceeds of the drug trade.[5] Although this Convention does not use the term "money laundering", on fact, the Convention requires the signatory jurisdictions to take specific actions, including steps to enact domestic laws criminalizing the laundering of money derived from drug trafficking and provide for the forfeiture of property derived from such offenses. The Convention also promotes international cooperation as a key to reducing the global threat of money laundering and requires states to provide assistance in obtaining relevant financial records when requested to do so without regard to domestic bank secrecy laws.[6]

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[2] FATF, *Opportunity and Challenges of New Technologies for AML/CFT*, (Paris: FATF/OECD, 2021).
[3] Michael Barr et al., *Enhancng anti-money laundering and financial access: Can New Technology achieve both?*, (Washington, D.C: The Brooking Institution, 2018), 6.
[4] Justice Josep Fok, "Money Laundering: Comparative Perspective", *Hong Kong Judicial Colloquium* (2015): 1-2.
[5] Matthew S Morgan, "Money Laundering: The American Law and Its Global Influence", *Law and Business Review of America* 3 (1997): 26.
[6] Dusko Dismitrijevic, *Money Laundering and Terrorist Financing on International and National Legal Level*, (Belgrade: Institute of International Politics and Economics, 2018), 16-17.

Aside from the aforesaid conventions and resolutions, much earlier effort has been made by international bodies and regional bodies to combat money laundering. The Financial Action Task Force on Money Laundering (FATF)[7], an intergovernmental policy-making-body, is one of such organizations. The FATF designed a comprehensive framework in developing their own efforts against Money Laundering (ML) covering the criminal system and its regulation, and international cooperation. The framework based on the Vienna Convention (1988), the Palermo Convention, and the Statement of Principles for the bank supervisors issued on 12 December 1988 by the Basel Committee on Banking Supervision as cornerstones is known as the Forty Recommendations on Money Laundering. In response to the 9/11 attacks in United States and other terrorist attacks around the world, the FATF mandate was expanded to include measures to combat financing of terrorism. Experts from various ministries, law enforcement authorities, bank supervisory and regulatory agencies worked together with concerted effort to obtain a fruitful and expressive report of the Recommendations. Futhermore, mandate of the FATF is to set standards (recommendations) and to promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and the financing of proliferation, and other related threats to the integrity of the international financial system. In collaboration with other international stakeholders, the FATF also works to identify national-level vulnerabilities with the aim of protecting the international financial system from misuse. The FATF Recommendations set out a comprehensive and consistent framework of measures which countries should implement in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction. Countries have diverse legal, administrative and operational frameworks and different financial systems, and so cannot all take identical measures to counter these threats. The FATF Recommendations, therefore, set an international standard, which countries should implement through measures adapted to their particular circumstances.[8]

To ensure the transposition of its Standards at the national level, the FATF examines the laws and practices of member countries on a regular basis.[9] The mutual evaluation system

[7] Recently, The FATF is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognized as the global anti money laundering (AML) and counter terrorist financing (CFT) standards.

[8] FATF, *International Standards on Combating Money Laundering and Financing of Terrorism & Proliferation, The FATF Recommendation*,(Paris: FATF, 2012-2021).

[9] FATF, *Methodology for assessing technical compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems*, (Paris: FATF, 2013-2019).

developed by the FATF has become a process of reference for monitoring the implementation of international instruments. The monitoring system is based on peer reviews conducted on an ongoing basis for each FATF member. FATF experts review the implementation of the FATF standards and they provide an exhaustive analysis of domestic laws and practices in the Anti Money Laundering (AML)/ *Counter Terrorist Financing* (CFT) area, ultimately assessing the effectiveness of the domestic AML/CFT system (technical compliance and effectiveness assessment).

INDONESIA DOES MEET THE INTERNATIONAL STANDARDS OF ANTI MONEY LAUNDERING FROM 2004 TO 2018

Indonesia signed the United Nations Convention against Corruption on 18 December 2003 and ratified it on 19 September 2006. The main implementing legislation includes: Law No. 31 of 1999 on Eradication of the Criminal Act of Corruption, as amended; and Prevention and Eradication of the Money Laundering Criminal Act No. 8 of 2010 (MLCA).

Based on data MER 2018[10], that Indonesia has the most advanced with regards to their compliance with the FATF recommendations but still get lack of compliance that is major shortcoming to comply Recommendation 7 Target financing sanction ploriferation. We relate this finding to previous work on how a country's legal and financial systems develop in line with legal factors and combating the financing of proliferation systems. This research will be of interest to policy-makers and government agencies involved in addressing money laundering and its successful detection and prosecution.

In general, progress of Indonesia has been made in each of the seven components of the AML/CFT compliance: (1) legal; (2) institutional; (3) financial institutions prevention; (4) DNBFPs' prevention; (5) informal sector prevention; (6) entity transparency; and (7) international cooperation. Result of mutual evaluartion of level of compliance Indonesia with the Financial Action Task Force (FATF) 40 Recommendations and the level of effectiveness of Indonesia's AML/CFT can be shown as below:

Based on The Mutual Evaluation Report (MER) issued by Asia Pacific Goup (APG) FATF in September 2018, rating effectiveness Immidiate Outcome (IO) of Indonesia show that Indonesia has 5 substansial level of effectiveness on Immidate Outcome (IO) number 1,

[10] APG, *Anti Money Laundering and Counter-Terrorist Financing Measures- Indonesia, Third Round Mutual Evaluation Report*, (Sidney: Asia Pasipic Group (APG), 2018).

2,6,8, and 9, has 5 moderate level of effectiveness on IO number 3, 4,5, 7,10, and has a low level effectiveness on IO number 11.

Based on MER 2018, Immediate Otcome 1 Money laundering and terrorist financing risks are understood and, where appropriate, actions co-ordinated domestically to combat money laundering and the financing of terrorism and proliferation was rated as Substantial of Effectiveness. It has related to Recommendation 1, 2, 33 and 34. Result rewiew shows rating compliance to Recommendation 1, 2, 33 and 34, as such as below:

Immediate Otcome 2 International co-operation delivers appropriate information, financial intelligence, and evidence, and facilitates action against criminals and their assets was rated Substantial of Effectiveness. This outcome relates primarily to Recommendations R. 36 - 40 and also elements of R. 9, 24, 25 and 32.

Immediate Otcome 3 Supervisors appropriately supervise, monitor and regulate financial institutions and DNFBPs for compliance with AML/CFT requirements commensurate with their risks was rated a Moderate of Effectiveness. It has related to Recommendation R. 14, 26 to 28, 34 and 35, and also elements of R 1 and 40. The result rewiew showed rating compliance to Recommendation 14, 26 to 28, 34 and 35, as such as the two major financial and one major DNFBP supervisor—namely, OJK, BI, and PPATK, respectively—are implementing FPTs and risk-based supervision to a significant degree, although more dissuasive sanctions should be imposed to progress AML/CFT compliance.

Immediate Otcome 4 Financial institutions and DNFBPs adequately apply AML/CFT preventive measures commensurate with their risks, and report suspicious transactions was rated a Moderate of Effectiveness. This outcome relates primarily to Recommendations 1, 4, 32 and also elements of Recommendations R. 9 to 23, and also elements of R. 1, 6 and 29. The result rewiew showed rating compliance to Recommendation This outcome relates primarily to Recommendations R. 9 to 23, and also elements of R. 1, 6 and 29.

Immediate Otcome 5 Legal persons and arrangements are prevented from misuse for money laundering or terrorist financing, and information on their beneficial ownership is available to competent authorities without impediments. was rated a Moderate of Effectiveness. This outcome relates primarily to Recommendations R 24 and 25, and also elements of R 1, 10, 37 and 40. The result rewiew showed rating compliance to Recommendation R 24 and 25, was rated Compliance.

Immediate Otcome 6 Financial intelligence and all other relevant information are appropriately used by competent authorities for money laundering and terrorist financing investigations was rated as Substantial of Effectiveness.

This outcome relates primarily to Recommendations R. 29 to 32 and also elements of R.1, 2, 4, 8, 9, 34 and 40. The result rewiew showed rating compliance to Recommendation R.1, 2, 4, 8, 9, 34 and 40 such as Indonesia has identified the nature of threats to the NPO sector and imposed measures that are somewhat consistent with the identified risks, but minor deficiencies remain.. There are clear policies for promoting accountability, integrity and public confidence in legal entity CSOs, less so for non-legal CSOs, and Indonesia has undertaken outreach to some parts of the NPO sector

Immediate Otcome 7 Money laundering offences and activities are investigated and offenders are prosecuted and subject to effective, proportionate and dissuasive sanctions was rated a Moderate of Effectiveness. This outcome relates primarily to Recommendations R. 3, 30 and 31, and also elements of R. 1, 2, 32, 37, 39 and 40. The result rewiew showed rating compliance to Recommendation The result of review showed implementation to Recommendation 3, 30 and 31 was rated Compliance, as such as Indonesia had coverage of predicate offences, scope of coverage of assets and proceeds is in keeping with the Vienna Convention. The ML offence has been used to pursue the proceeds of a wide range of predicate offences and the ML offence is major effectively implemented due to the narrow scope of the offence.

Immediate Otcome 8 Proceeds and instrumentalities of crime are confiscated was rated as Substantial of Effectiveness. This outcome relates primarily to Recommendations 1, 4, 32 and also elements of Recommendations 30, 31, 37, 38, and 40. The result rewiew showed rating compliance to Recommendation R 1, 4, 32 as such as Indonesia do effort to improve deficiencies were: (i) comprehensive measures to trace, freeze and seize the widest range of property, and and (ii) statistics implementation of the existing provisions for provisional measures and confiscation. In 2012, the enactment of the 2010 AML Law, Indonesia had made progress with R.4 to a level equivalent to largely compliant.

Immediate Otcome 9 Terrorist financing offences and activities are investigated and persons who finance terrorism are prosecuted and subject to effective, proportionate and dissuasive sanctions was rated a Substantial of Effectiveness. This outcome relates primarily to Recommendations R 5, 30, 31 and 39, and also elements of R 1, 2, 32, 37 and 40. The result rewiew showed rating compliance to Recommendation R 5, 30, 31 and 39, as such as Indonesia

has improved : (i) the scope of property covered was consistent with the requirements of the Terrorist Fiancanging (TF) Convention; (ii) covered indirect collection provision of funds ; (iii) collecting or providing funds for a terrorist organisation was comprehensively covered; and knowledge could be proven in all cases by objective factual circumstances.

Immediate Otcome 10 Terrorists, terrorist organisations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector was rated a Moderate of Effectiveness. was rated a Moderate of Effectiveness. This outcome relates primarily to Recommendations R 1, 4, 6 and 8, and also elements of R 14, 16, 30 to 32, 37, 38 and 40. The result rewiew showed rating compliance to Recommendation. R 1, 4, 6 and 8, and also elements of R 14, 16, 30 to 32, 37, 38 and 40 as such as Indonesia has four LEAs responsible for the investigation of predicate crimes, as such as : Indonesia National Police (*INP)* – under Article 14 (1)(g) of the Law of the Republic of Indonesia Number 2 Year 2002 concerning the State Police of the Republic of Indonesia (Police Law), INP is designated to conduct investigations into all crimes in accordance with the Criminal Code, the Criminal Procedure Code and other laws and regulations including the investigation of TF; *KPK* – under Article 6(c) of the Law of the Republic of Indonesia Number 30 Year 2002 concerning Commission for the Eradication of Criminal Acts of Corruption (Anti-corruption Law), Badan Narkotika Nasional (BNN) – under Article 71 of Law Number 35 Year 2009 concerning Narcotics, BNN is designated to conduct investigation of abuse and illicit trafficking in narcotics and narcotics precursors.

Immidiate Outcome 11 Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant UNSCRs was rated Moderate. This outcome relates primarily to Recommendations R.7 and elements of R. 2. The result rewiew showed rating compliance to Recommendation 7 Target Financing Proliferation Sanction was rated Non compliance.

INDONESIA STILL HAS A NONCOMPLIANCE TO FATF RECOMMENDATION

Indonesia, whose current position is only an onserver country, is obliged to adopt all recommendations issued by FATF into legal system in Indonesia as a step to become a member

of the FATF[11]. Something efforts must be done and then be assessed annually with assessment rating given by the FATF.

Based on mutual evaluation by APG, the compliance of Indonesia to Recommmendation number 7 Targeted financial sanctions related to proliferation. The explanation is described as detailed below:

On 26 May 2017, Indonesia approved Ploriferation Financing (PF) Joint Regulations 2017 to implement Unite Nations (UN) Target Financing Sanction (TFS) related to Weapon Mass of Destruction (WMD) proliferation and its financing. The PF Joint Regulations 2017 and its Annex outline Indonesia's implementation process, as follows.

Indonesia's UN mission transmits the name and identifying information of the UN-listed individual or entity to the MoFA, which then notifies PPATK, the INP, the SIA, and NERA. Each of these agencies, based on intelligence or other information contained in their databases, will make a recommendation to PPTAK on listing (Article 5 of the PF Joint Regulations 2017; Annex I.I to PF Joint Regulations 2017). PPATK then reviews the recommendations of the relevant agencies, makes a decision to list domestically on the List of Funding Proliferation Weapons of Mass Destruction (WMD List), then transmits the list to the relevant supervisory agencies, as well as publishes it on the PPATK website.

The Proliferation Financing (PF) Joint Regulations 2017 specifies that the process should be conducted within a matter of hours—at a maximum, one day (Annex I.I to PF Joint Regulations 2017). But, Indonesia's framework for Target Financing Sanction (TFS) related to proliferation contains major shortcomings, as detail below:

i. while domestic listings related to People Republic Korea (DPRK) individuals/entities in September 2017 were implemented within one business day, all other domestic listings related to People Republic Korea (DPRK) individuals/entities were not implemented without delay—at the time of the onsite visit, Indonesia had listed all DPRK individuals/entities to the Weapons Mass Destruction (WMD) List;
ii. Indonesia is not implementing TFS related to UNSCR 2231 as it has not domestically listed any Iranian individuals and entities, although there is no technical barrier to designation; and
iii. as discussed in detail in c.7.3, the PF Joint Regulations are not an enforceable means for banks, other major FIs supervised by OJK, or Bappebti and all DNFBPs—only non-bank

[11] Jamin Ginting et al, "Adopting the FATF Recommendations in Realizing Benefecial Owners Transparancy in Limited Company to Prevent Money Laundering Criminal Act in Indonesia", *Jurnal of Legal Ethical and Regulatory Issues* 24, no. 4 (2021): 10-14.

payment and non-bank money changing service providers, supervised by BI, are required to comply with freezing obligations.

There is no general obligation for all natural and legal persons to freeze funds or other assets of designated persons and entities. While Article 6(4) of the PF Joint Regulations 2017 requires FIs and DNFBPs to freeze without delay funds owned or controlled by persons and entities on the WMD List, without prior notice, it is only enforceable on entities supervised by BI (see c.7.3) and only for the UN DPRK listings.

While the PF Joint Regulations (Articles 6(4) and 6(5)) extend the freezing obligation to all ownership circumstances covered by c.7.2(b), the Regulations are only enforceable on entities supervised by BI (see c.7.3) and only for the UN DPRK listings.

Relevant supervisory agencies are required to 'conduct efforts' to prevent the provision, raising, granting, or lending of funds to individuals or entities on the domestic list (Article 16 of the PF Joint Regulations of 2017). This provision requires government agencies to take action but does not impose a legal prohibition on providing funds, other than economic resources, or financial services to designated individuals and entities.

Under Article 14 of the PF Joint Regulations 2017, relevant supervisory agencies are required to communicate (both electronically and non-electronically) to their respective regulated entities regarding the listing, freezing, and de-listing determinations of listed individuals. In practice, this information is primarily transmitted by PPATK via email, GRIPS, and posted on PPATK's website. PPATK has also provided guidance on actions to be taken regarding the property of designated persons (via circular letters).

FIs and DNFBPs must report to their relevant supervisors within three days on whether they have frozen any assets belonging to the designated person or entity (Article 6 (6) of the PF Joint Regulations 2017), although it is not clear if this extends to attempted transactions or other prohibited services by designated persons.

Article 13(1)(j) of the PF Joint Regulations 2017 protects the bona fide rights of third parties, as it allows third parties that entered into agreements with designated persons prior to designation to petition PPATK for access to funds owed to them.

Article 11 of the PF Joint Regulations authorises supervisors (see R.26 and R.28) to review implementation of the asset freeze, but does not cover supervision of, or sanctions for, non-compliance c.7.2(c). Furthermore, the assessment team has concluded that the freeze obligation, under Article 6(4) of the Proliferation Financing (PF) Joint Regulations 2017, is not an enforceable means for FIs supervised by OJK and BI and all DNFBPs, for the following reasons:

i. the Proliferation Financing (PF) Joint Regulation 2017 *does not contain sanctions* and there is no clear link to available indirect/broader sanctions for non-compliance by FIs or DNFBPs;
ii. Bappebti's and OJK's AML/CFT regulations and regulations for DNFBPs do not contain requirements for implementation, or a clear link for use of ***available sanctions*** for non-compliance with the PF Joint Regulation 2017 (as is the case for FIs supervised by BI); and
iii. Indonesia provided no evidence that other, where available, indirect/broader sanctions could be applied to FI or DNFBPs or natural persons for non-compliance with the PF Joint Regulation 2017. The BI AML/CFT Regulations for non-bank payment and non-bank money changing service providers includes requirements for implementation, and related ***sanctions***, of TFS related to proliferation (as discussed above, this is only applicable to DPRK-listed individuals/entities on the WMD List). Therefore, the assessment team has concluded that the freeze obligation, under Article 6(4) of the PF Joint Regulations 2017, is an enforceable means for only FIs supervised by BI. 130.

For UNSCRs 1718 and 2231, persons submitting a de-listing request are directed on the PPATK website to a link to UNSCR 1730 for information on the de-listing procedure. It is unclear if Indonesia has a link to the Focal Point for de-listing pursuant to UNSCR 1730. 132.

Article 8 of the PF Joint Regulations of 2017 requires regulated entities to unfreeze the assets of individuals or entities that are not designated but whose funds are frozen because of mistaken identifier information. This can be done following outreach to PPATK and verification that the person or entity is in fact not the designated person or entity. Some, but not all, supervisors have issued procedures and guidance on this (e.g. Bappebti Regulation No. 10 of 2017 and OJK Circular Letter No.38 of 2017).

Article 13(1) of the Joint Regulations of 2017 includes a list of basic expenses that can be excluded from the asset freeze upon submission of a request to PPATK and/or the UN (Articles 13(1), (4) and (5) of the Joint Regulations of 2017). However, extraordinary expenses are not explicitly addressed.

Article 7(1) of the PF Joint Regulations of 2017 allows for interest or earnings on frozen accounts that relate to rights arising prior to the date of designation to be added to those accounts. Article 13 the PF Joint Regulations of 2017 allows for designated persons to have funds or other assets unfrozen and use these funds if:

i. the payment is not related to *any of the prohibited* items, materials, equipment, goods, technologies, assistance, training, financial assistance, investment, brokering or services related to WMD proliferation;

ii. the payment is not directly or indirectly received by a listed person or entity; and
iii. the request is approved by the UN.

While Indonesia has sought to implement a framework to give effect to R.7, there are major shortcomings. Almost all of the DPRK UN-listed persons/entities have not been listed without delay; there is no domestic listing of Iranian UN-listed persons/entities; there is no prohibition on providing funds or financial services to designated persons; and the freeze mechanism is only enforceable on non-bank payment and non-bank money changing service providers. Recommendation 7 is rated non-compliant.

Learning From (Compare to) Singapore and Australia in Developing and Implementing Legal Policy of Target Financing Proliferation Sanctions.

Singapore has an overall mechanism to implement targeted financial sanctions in relation to proliferation pursuant to relevant UNSCRs.[12] There is no provision in accordance with the exemptions under the UNSCRs and the implementation is left to discretion of the authorities. Singapore implements provisions in relation to targeted financial sanctions pursuant to UNSCRs against Iran and DPRK in accordance with three Moneytory Authority Singapore (MAS) regulations (for financial institutions) and two UN regulations (for the general public, including DNFBPs and money lenders). The UNSC Iran Regulations and the UNSC DPRK Regulations apply to any person in Singapore and any Singaporean citizen including financial institutions and DNFBPs.

The Monetary Authority Singapore (MAS) Act (section 41C) allows MAS to grant exemptions to its regulations issued under the MAS Act such as the Iran and DPRK regulations, and they also contain the exemption conditions set out in UNSCRs 1718 and 1737. For non-MAS-regulated entities, the UN Regulations contain the correct conditional exemptions (section 21 for Iran and 18 for DPRK).

Australia legal system and processes for implementing UNSCRs 1718 and 1737 as required by Recommendation 7 Target Financing Proliferation Sanctions are identical to those for implementing UNSCR 1267 as required by Recommendation 6. In addition, Australia has a proliferation-related autonomous sanctions regime. This capability, and the process Australia undergoes to identify proliferation-financing targets, contributes to the overall effectiveness in

[12] FATF and APG, *Anti-money laundering and counter-terrorist financing measures - Singapore,* Fourth Round Mutual Evaluation Report, (Paris and Sydney: FATF and APG, 2016).

preventing persons and entities involved in the proliferation of WMDs from raising, moving, and using funds.[13]

CONLUSION

Efforts as such as programs, activity and regulations have been made by Indonesia government to comply Internatioal Setter of Money Laundering, those are Vienna Comvention and FATF Recommendations. Recently FATF Recommendation has been up todate revised in 2012. Based on Mutual Reviu APG 2018 (with FATF Recommdation revised 2012), Idonesia has one NonCompliant to FATF Recommendations, that is NonCompliant to Target Fiancing Proliferation. Indonesia should have learning from and compare to other countries like Australia and Singapore that had developed and did compliant to Target Financing Proliferation as one of FATF Recommendation. Further, based on implementation data and information of proliferation financing from Austalia, and Singapore, we suggest to Indonesian Government should improve legal anti money laundrering frameworks, in order to comply FATF Recommemdation 7: Financial Proliferation Sanction. Indonesia should enchanced United Nations Resolution Security Council relation to proliferation financing. Indonesia should revise/amend the Anti Money Laundeering Law in order line with FATF Recommendation 7. Target Financing Proliferation Sanction, include the financing proliferation as one of predicate offence and decide sanction (imprison) of proliferation financing. The revised article of financing proliferation in Anti Money Laundring Law (AML) will be used as basis to implement Recommendation 7 FATF The Target Financing Proliferation Sanctions. Indonesia should revise The Proliferation Financing (PF) Joint Regulations 2017 with add the regulation and sanction of financial proliferation sanctions line with FATF Recommendation 7 and Anti Money Laundering (AML) Law after be revised. Therefore, the Government and the House of Representative (Dewan Perwakilan Rakyat Republik Indonesia - DPR RI) must have a high commitment and political will in terms of implementation target sanction of financial proliferation.

[13] FATF and APG, *Anti-money laundering and counter-terrorist financing measures - Australia*, Fourth Round Mutual Evaluation Report, (Paris and Sydney: FATF and APG, 2015).

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