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Legal Regulations The Role Of Professional Advocates As Reporting Parties In Preventing And Eradicating Money Laundering Crimes In Indonesia

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Abstract: ***The crime of money laundering (TPPU) is one of the White Collar Crime crimes which attracts the attention and concern of many international worlds including Indonesia. This research method is a normative research method by analyzing a statutory regulation and analyzed qualitatively. The results showed that the legal arrangements mandated in Government Regulation No. 43 of 2015 that the profession is obliged to report suspicious financial transactions for its clients have not been effective. The intended legal arrangements such as the purchase and sale of the property, management of money, securities, other financial service products, management of current accounts, savings accounts, deposit accounts, securities accounts, operation and management of companies; and the establishment, purchase, sale of a legal entity. However, there are exceptions to professional reporting, namely the interest for and on behalf of the User, to ensure the legal position of the User and the handling of a case, arbitration or alternative dispute resolution.***

Keywords: Legal Arrangements, Money Laundering, Government Regulations, Professionals

I. INTRODUCTION

The problem of money laundering (Money Laundering) a lot of attention to the international world due to dimensions and implications that violate national boundaries. The estimated amount of money laundered globally in one year is 2-5 percent of global GDP or USD 800 billion. The most common way to launder money is through the use of financial institutions (eg insurance companies, banks, etc.) or by establishing businesses and shell companies that function as a front to receive illicit funds. With the increased integration of the world financial system, improvements in money laundering technology can now quickly transfer cash proceeds and profits that are criminally obtained between national jurisdictions, making it difficult to track and confiscate these assets.

Therefore combating money laundering is now a major concern for all countries throughout the world. Money laundering has a macroeconomic impact. One of them, including in India, is vulnerable to money laundering activities. The amount is 13 times greater than foreign debt, namely 1500 billion that has been allegedly washed by actors in Swiss banks. Money Laundering is a serious threat to the state because of the possibility that the funds are used to fund terrorists, apart from the loss of revenue for the government (Chutia, 2013).

To maintain a balance between the fight against money laundering and the protection of professional privileges, it must make a difference between professional activities: when professional activities are linked to the judicial process to ensure the client's legal position, they will be freed from anti-money laundering obligations; when they carry out corporate financial or legal activities, they must assume anti-money laundering obligations (Pinghe, 2006). Likewise, among institutions and international organizations that are competent in the field of prevention and eradication of the crime of money laundering. Likewise, in simple language, it can be said that "money laundering" is an act of deceitful means to obscure the origin of the proceeds of crime so that the

proceeds of crime appear to eventually appear as if they originate from business activity.

The focus is on the phenomenological aspects of money laundering and highlights that most are economic problems. Economic analysis requires accurate legal responses, both at the international level and in a single domestic legal system. Anti-money laundering law is usually characterized by a multidisciplinary approach that combines a repressive profile with an empirical prevention and evaluation mechanism of the International Monetary Fund-World Bank (Borlini, 2010). Peter Lilley explained that money laundering is a process of changing profits derived from activities against the law into financial assets that originate from sources that are not against the law and money laundering, which is a series of activities that are processes carried out by a person or organization against illicit money, namely money originating from crime, to conceal or disguise the origin of the money from the government or the competent authority to take action against criminal acts by primarily putting the money into the financial system so that the money can then be removed from the financial system as legal money (Lilley, 2003). Neil Jensen (Austrac) & Rick Donald in (Yani, 2013) stated that money laundering is a process of changing profits from being against the law to financial assets that appear to come from legitimate sources.

Furthermore, Peter Lilley explained that money laundering is a process of changing profits derived from activities against the law into financial assets that come from sources that are not against the law and money laundering, namely a series of activities that are processes carried out by a person or organization against illicit money, namely money originating from a crime to intending to conceal or disguise the origin of the money from the government or the competent authority to take action against criminal acts by primarily putting the money into the financial system so that the money can then be removed from the financial system as halal money.

One example of a money laundering case was carried out by Alphonse Capone. The unfolding of Alphonse Capone's crime is an important warning for organized crime. Disclosure of the Alphonse Capone case is an important achievement in the history of law enforcement. For the first time, criminals can be sentenced to prison not only for participating in murder, extortion or sale of illegal drugs but only because they get money but do not report it to the government (Yusuf, 2014). Causes the problem of money laundering occurs in India and Pakistan using financial transactions to conceal the identity, source, and purpose of money not only related to organized crime but also with tax evasion or accounting errors. Money laundering is recognized as a widespread problem practiced by individuals, businesses, officials, governments throughout the world. Money Laundering is a global phenomenon carried out by launderers around the world to hide criminal activities such as drugs/weapons human trafficking, terrorism and extortion, smuggling, financial fraud, corruption, etc. Money laundering is a big threat to peace, prosperity, stability, and solidarity of any country or nation (Arafeen, 2016).

In addition to India and, Pakistan the empirical facts contained in Malaysia are related to the important role of accountants, public accountants and financial planners in preventing and eradicating money laundering from the survey results of 39 respondents. Among commercial bank officers, it was found that commercial banks in Malaysia took responsibility for money laundering and terrorist financing by taking serious steps. You do this by fighting, detecting, investigating and prosecuting suspicious money laundering and terrorist funding. The actualization of data implemented by banks is very important to know the identity of the perpetrators. Among these factors is very important to ensure the successful implementation of measures to prevent money laundering. Thus requiring support from top management, expert staff, the availability of technological infrastructure and the existence of political influence (Said, 2013).

To prevent and eradicate money laundering, UUTPPU has formed a Financial Transaction Reports and Analysis Center (PPATK), an independent institution that reports directly to the President. PPATK is a financial intelligence unit (Financial Intelligence Unit/FIU). The importance of PPATK is motivated by the awareness that fighting money laundering requires special expertise. The establishment of financial intelligence units in charge of receiving and processing financial information from financial service providers must be seen from the background of the growing need for the importance of these special skills.

There are no fixed rules that govern the form and role that must be performed by the FIU. The recommendations issued by the Caribbean Drug Money Laundering Conference, for example, only require the need for a special body responsible for conducting investigations, prosecution, and confiscation. Whereas the FATF Recommendation only mentions the need for competent authorities whose job is to receive reports from financial service providers. Whereas the European Money Laundering Directive mentions an agency authorized to fight money laundering and requires European Union members to guarantee that the agency has the authority to request reports from financial service providers. The Egmont Group (TEG), a loose group of FIUs, provides a general definition of FIU, namely:

"*A central national agency responsible for receiving (and as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information: (1) concerning suspected proceeds from crime, or (ii) required by national legislation or regulation, To counter money laundering*" (Stessens, 2000).

In this study, the legal substance is about government regulations regarding the role and obligations of the profession as a reporting party in preventing and combating money laundering. The third legal system is a legal culture. According to Lawrence Meir Friedman, legal culture is:

"*Legal culture can be defined as those attitudes and values affecting behavior related to law and its institution either positively or negatively. Love of litigation or hatred of it is part of the legal culture as would be attitudes toward child reading in, so far as these attitudes affect behavior which is at least nominally governed by law. The legal culture then is a general expression for the way the legal system fits into the culture of the general society*. (L. M. Friedman, 1976).

Legal culture includes people's attitudes or values that they profess to determine the activities or activities of the legal system concerned. Attitudes and values will influence both good and bad behavior related to the law so that the legal culture is an embodiment of community thinking and social forces in determining how the law is used, avoided or abused.

Meanwhile, in another regulation, the International Bar Association (IBA) even states that an Advocate is not allowed to disclose client secrets unless otherwise determined by the Court. Therefore, the confidentiality of the client must remain upheld by the Advocate when he provides legal services to the client until he is no longer carrying out his duties. According to Fried-Freedman's view (Aronson, 1985) about legal ethics is a lawyer as a facilitator of the autonomy of his clients in the legal system. As such, lawyers, as professionals, play an important role in helping people who legally do not know how to achieve their human dignity. First is moral reasons, lawyers adopt moral principles as the dominant goal that a professional puts the interests of his client above some ideas, however valid than the interests of others. Second, facilitate and maintain the justice system that can harm the client. In Fried Freedman's view, enemy clashes are needed if the truth arises. Third. an autonomy model because in the long run it best serves the interests of society.

The lawyer will defend the client even if the client is not entirely correct. A friend is a partisan who is not subject to moral criticism. But we still have to define diligently. Passionate advocacy should not mean putting medicine in the opponent's counseling coffee cup to make the lawyer sleepy during the trial. This game is an artificial contest to determine the truth within the bounds of fair debate, and the boundaries are defined and implied. We can, therefore, conclude that there is no necessary relationship between the hostility system and the autonomy model between winning and finding the truth.

In the New Master Pictorial Encyclopedia, it is said, "*Ethics is the science of moral philosophy concerned not with fact, but with value; not with the character of, but the idea of human conduct*" (ethics is the science of moral philosophy, not about facts, but values, not about the nature of human action, but the idea) (Adams, 1965). In line with that Ki Hajar Dewantara explained that ethics is the study of good (and bad) in all human lives, especially those concerning the movements of the mind and taste that can be considered and felt to the goals that can be deeded (Dewantara 1966).

The explanation above shows that the ethical substance is quite strong in the formation of law. Because the essence of law is framed through ethics. The handling of TPPU in Indonesia began since the enactment of Law Number 15 of 2002 concerning Money Laundering Acts as amended by Act Number 25 of 2003 concerning Amendments to Law Number 15 of 2002 concerning Criminal Acts of Money Laundering. The law has shown a positive direction. Also, the existence of a criminal offense as set out in a manner in article 2 of Law Number 8 of 2010 against allegations of money laundering, does not need to be proven first, enough if there is an allegation that the money originates from a criminal offense, for example, with a note if there are two pieces of evidence as preliminary evidence. Criminal money laundering is qualified for white-collar crime (Yani, 2013).

The Financial Transaction Analysis Reporting Center (PPATK) has optimized the effectiveness of the implementation of the provisions referred to. The efforts that have been made by PPATK include coordinating and communicating related to the acceleration of implementing regulations regarding the principle of recognizing service users for the profession, as well as socialization and training for the profession. Professionals determined to be parties to the report are advocates, notaries, Land Deed Making Officials (PPAT), accountants, public accountants, and financial planners. Professionals are asked to play a role in preventing and combating money laundering. Based on PPATK research results, it is prone to be used by money launderers to hide or disguise the origin of assets that are the result of criminal acts by sheltering behind the provisions of secrecy of professional relations with service users that are regulated by following statutory provisions (Report Bulletin PPATK, 2017). In this case, the profession is used as a gatekeeper by money launderers (Utama, 2013).

Professionals, as mandated by Government Regulations (PP Number 43 the year 2015) must report suspicious transactions to PPATK. The reporting obligation does not run smoothly. For example, Advocates reject the mandatory requirements to report to PPATK. *First,* the profession can detect transactions, processes and methods in laundering are inseparable acts. If the financial transaction between bookkeeping and money has been balanced, then the transaction seems to be true. The transaction has already entered the proceeds of crime (proceeds of crime). The business transaction system is a legal method of entering the proceeds of crime into a financial transaction. After entering the legal business transaction system, it is mixed with other money. The entry of the proceeds of crime into the legal business transaction system is a process of placing money into a business. *Second*, the profession can find money mingled, mixed with other money in business activity so that it is legal, and coated, covered, surrounded and mixed with legitimate business results. The money, if spent or used again, has become part of the legitimate results of the business because it has not been seen again its origin.

The perpetrators of Money Laundering (TPPU) can use the services of professionals as gatekeepers in money laundering. Advocates are required as reporters for Suspicious Financial Transactions (TKM) in the TPPU for at least two reasons. The role of the profession is a form of humanitarian activity as a form of professionalism in the field of law (Warren, 1966). A profession that is different from other forms of human activity in several respects. Especially true of three professions, namely clergy, medicine and law. For example, the profession in the field of law is a lawyer who is given a monopolistic right to represent others in court, to force the presence of witnesses and to maintain the confidentiality that laypeople must disclose when called as witnesses. Accordingly, statements made to lawyers by his client that he committed certain crimes may not be used in evidence, but the same statements made for laypeople will be accepted as evidence. Besides, the role of lawyers in preventing and combating money laundering has a detrimental impact on many parties. Based on the latest data, there have been 168

TPPU cases that have been decided by the Court from January 2005 to December 2017.

During this period, most of the Court Decisions related to TPPU were decided by the Court (including the District Court / Corruption Court, the High Court and or the Supreme Court) in the DKI Jakarta area, which is as many as 70 decisions or 41.7 percent. One of them is a money laundering case by a corporation suspected of corruption in the Teluk Radang embankment construction project, Karimun, which cost the state Rp3.2 billion (PPATK Bulletin, 2018). These problems are inseparable from the weakness of the legal system. The legal system as a whole unit includes the substance (substance), structure (structure) and legal culture (legal culture). On the other hand, Lawrence Meir Friedman explained that law as a system consists of 3 (three) components, namely: legal structure, a legal substance, and legal culture (Friedman, 2001).

Advocate is one of the law enforcers whose job is to provide legal assistance or legal services to the public or clients who face legal problems where they are needed by the community. Advocates contain duties, obligations and noble responsibilities, both to oneself, clients, the Court, and God and for the sake of justice and truth. Advocates tie themselves to their clients through contracts (Smith, 1989). Advocates are conceptualized as having a subjective position because they represent the interests of the community (clients) to defend their legal rights. However, in defending these legal rights, the Advocate's way of thinking must be objectively assessed based on the expertise possessed and the Professional Code of Ethics. For this reason, the Code of Ethics stipulates that, among others, lawyers may refuse to handle cases which according to their expertise have no legal basis, are prohibited from providing misleading information and promising victory to clients. Moral philosophy informs the study of the law governing lawyers (Advocates), but the moral philosophy does not replace legal analysis as a tool for determining the application of the law governing lawyers (Moliterno, 2000). Based on the description above, it can be understood that efforts are needed to analyze the legal arrangements of the role of the Advocate profession as a reporting party in preventing and combating money laundering.

II. RESEARCH METHODS

Types of legal research methods used in this study are normative research methods using primary legal materials, secondary legal materials, and tertiary legal materials. The specifics of this research are specifically to analyze the implementation of legal principles, namely research on positive written law or research on legal methods that live in society. The approach method used is the Statute Approach and Case Approach. Data collection techniques use library research (normative legal research) that focuses on secondary data, so the authors conducted a study of Government Regulation No. 43 of 2015 concerning Money Laundering.

Then conduct interviews with informants, especially the public relations department of the Financial Transaction and Analysis Center (PPATK) and the profession to obtain information to add to the incompleteness of secondary data. Data collection tools in normative juridical research are derived from secondary data to obtain concepts, theories, and information as well as conceptual thinking from previous researchers in the form of legislation, scientific work, journals, and others. Data analysis begins with an examination of the data collected and then conduct interviews in a direct and directed manner. Furthermore, qualitative data analysis is conducted so that it can be linked to the theoretical framework to be able to answer the problem formulation studied. The type of legal research used in this dissertation is a holistic normative research method.

In this type of legal research, law is often conceptualized as what is written in the legislation (law in books) or law is conceived as a rule or norm and is a benchmark for appropriate human behavior, so this research is very closely related to the library because it requires data- secondary data on the library In normative research secondary data as a source of information can be primary legal material, secondary legal material, and tertiary legal material. In the implementation of written normative legal research, it is reviewed and analyzed from various aspects such as theory, philosophy, comparison, structure/composition, consistency, general explanation and explanation of each article, formality and binding power of a law. In jurisprudence whose object is the norm (law), legal research (de evening het de bedrijven) is conducted to prove many things: First, whether the form of normalization as outlined in a positive legal provision in legal practice is appropriate or reflects legal principles that are want to create justice. Second, if a legal provision is not a reflection of legal principles, is it a concretization of the philosophy of law. Third, is there a new legal principle as a reflection of existing legal values. Fourth, whether the idea of legal regulation of a certain action is based on legal principles, legal theory and/or legal philosophy. Therefore, researchers use legislation as a basis for conducting an initial analysis.

This is done by the writer because the laws and regulations are the focal points of the research and because of the nature of the law which has the following characteristics: First, comprehensive, meaning that the legal norms that are related logically to one another. Second, All-inclusive, which means that the set of legal norms is quite capable of accommodating existing legal problems so that there will be no legal vacuum. Third, Systematic, which is in addition to being intertwined with one another, the legal norms are arranged hierarchically (Ibrahim, 2006).

Furthermore, a case approach (Case Approach) which aims to study the norms or legal norms carried out in legal practice. Analysis of legal material data in this study uses a qualitative approach. Qualitative data analysis of the profession as a reporting party in preventing and combating money laundering. His analysis is even more emphasized in the process of deductive and inductive inference as well as his analysis of the dynamics of the relationship between observed phenomena using scientific logic. The data analyzed qualitatively will be presented in the form of a systematic description by explaining the relationship between various types of data, then all the data are selected and processed then analyzed descriptively so that in addition to describing and revealing it is expected to provide solutions to problems in research.

III. RESULTS AND DISCUSSION

A. LEGAL ADVOCATES' PROFESSIONAL LAWS

The legal regulation mandated by Government Regulation Number 43 of 2015 concerning the role of the profession in preventing and combating money laundering has not been effective. This is due to the weakness of coordination between competent institutions, where coordination between the PPATK, the Police, the Attorney General's Office and the Court regarding the handling of TPPU tends to still have sectoral. In line with his theory (Friedman, 2001) states that to achieve an optimal regulation of the law a legal system is needed, that is, a unified whole system encompassing legal structure, a legal substance, and legal culture. The legal structure is the role of the profession in implementing the provisions of laws and government regulations concerning money laundering, where the profession is required as a reporting party.

For example, if we look at the provisions of Article 16 of Law Number 18 the Year 2003 regarding Advocates, it is clear that the legal protection of an Advocate in carrying out his professional duties is "Only in a court hearing. Meanwhile, Advocates in carrying out their professional duties not only in court but also outside the court, of course, this is contrary to the demands of independence of an Advocate with a very heavy burden of professional duties in enforcing the law. The second element in the legal system is the substance of the law which includes legal norms, both in the form of statutory regulations, government regulations, and doctrines.

The legal substance is about government regulations regarding the role and obligations of the profession as a reporting party in preventing and combating money laundering. While the legal culture includes the attitudes of the people or the values they profess in determining the activities or activities of the legal system concerned. Attitudes and values influence both good and bad behavior related to the law so that the legal culture is an embodiment of public thought and social power in determining how the law is used, avoided or abused. So that in this study found a pattern for coordination between agencies, institutions, related agencies that regulate the pattern of fieldwork more clearly. As shown in the following scheme:

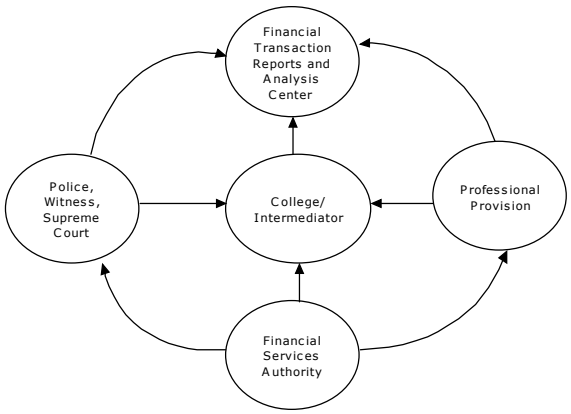

Figure 1: Reciprocal Cyclus Model Strengthening the Legal System in Preventing and Eradicating TPPU (Source: Ediwarman, 2014)

Then the weakness in the effectiveness of preventing and eradicating money laundering is a weakness in interpreting the professional profession's code of ethics regarding client confidentiality in each of these professions. As PP No. 43 of 2015 concerning Reporting Parties in the prevention and eradication of the crime of money laundering where the professions involved are the Advocates, Notaries, PPAT, Accountants, Public Accountants and financial planners, each of which has a nature of confidentiality in the professional relations with their respective clients. So in the legal regulation mandated in Government Regulation Number 43 of 2015 that the profession is obliged to report suspicious financial transactions for its clients such as the purchase and sale of property, management of money, securities, and/or other financial service products, management of current accounts, savings accounts, accounts deposits, and/or securities, operations, and management accounts of the company; and/or the establishment, purchase, sale of a legal entity.

However, this Government Regulation also regulates the exclusion of reporting obligations for professions acting in the interest of or for and on behalf of the User, to ensure the legal position of the User and the handling of a case, arbitration or alternative dispute resolution. Legal arrangements and professional code of ethics as a reporting party in preventing and eradicating money laundering crimes need to be reviewed and re-socialized by following the mandate of PP. No. 43 of 2015 so that there is no egocentric occurrence of each profession so that the profession realizes the importance of their role in reporting suspicious financial transactions by clients for the sake of public problems. The arrangement can be done by making a rule/guidance with the same standard for professions to implement the KYC obligations, because the risk will be very high if all professions make their version of the KYC form and for the professions to do KYC before establishing a legal relationship (engagement letter) with clients, so they can find indications of suspicious financial transactions earlier.

This was also proven by research (Purnomo, 2016) that the advocate's role as a reporting party, although not yet regulated in the specific regulations of the PPATK, can be seen in the PPATK's Head of regulation for providers of goods and other service goods also seen in Law Number 8 of 2010. Advocates are aligned with other providers of goods and/services because advocates also provide legal assistance services for their clients. Advocates as reporting parties do not violate the principle of maintaining client confidentiality.

B. ADVOCATES AS REPORTING PARTIES IN PREVENTING AND ERADICATING MONEY LAUNDERING CRIMES

Since 2015 President Joko Widodo has decided to expand the scope of parties required to report money laundering crimes. Through Government Regulation Number 43 of 2015, the President includes advocates as Reporting Parties in the prevention and eradication of criminal acts of laundering. Article 7 paragraph (2) of Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering (TPPU) does indeed give authority to the President as head of

government to further regulate the provisions of the Reporting Party.

a. THE PRINCIPLE OF RECOGNIZING SERVICE USERS

The inclusion of Advocates as reporters in the prevention and eradication of money laundering crimes makes it necessary to the extent to which Advocates play a role in efforts to prevent and eradicate money laundering. This limitation can then actually be seen in Article 4 of Government Regulation Number 43 of 2015 which states that: "Reporting Parties as referred to in Article 2 and Article 3 must apply the principle of recognizing service users". Then, the principle of recognizing service users can be seen in the Act Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Acts affirmed in Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering, which states: "Provisions regarding the application of the principle of recognizing Service Users for Reporting Parties as stipulated in the Law mutatis mutandis applies to the application of the principle of recognizing Service Users for Reporting Parties as referred to in Article 2 paragraph (2) and Article 3 ". In Article 18 of Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Criminal Acts concerning the application of the principle of recognizing service users, the following are the Supervisory and Regulatory Institutions stipulating the principle of recognizing service users.

- ✓ Reporting Parties are required to apply the principle of recognizing Service Users determined by each Supervisory and Regulatory Body as referred to in paragraph
- ✓ The obligation to apply the principle of recognizing Service Users as referred to in paragraph (2) is carried out when:
  - Making business relations with service users;
  - There is a Financial Transaction with rupiah or foreign currency with a value of at least or equal to Rp 100,000,000 (one hundred million rupiahs);
  - There are Suspicious Financial Transactions related to Money Laundering and criminal financing of terrorism; or
  - Reporting Parties doubt the truth of the information reported by Service Users.

Regarding the principle of recognizing service users that should be determined by the Supervisory and Regulatory Body, however, if the Supervisory and Regulatory Body has not been established the principle of recognizing service users can be regulated by the Head of PPATK Regulation. Although until the time this scientific writing was completed, no one has specifically regulated the principle of recognizing service users by Advocates. Regarding the principle of recognizing service users even though until now there has been no regulation that specifically regulates it, but with the existence of Article 18 of Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering, it has enabled Advocates to apply the principle of recognizing service users. Besides, the Advocate profession has indeed applied the principle of recognizing service users. Because Advocate is a profession that provides services or legal assistance to its clients.

b. OBLIGATION TO REPORT SUSPICIOUS FINANCIAL TRANSACTIONS

Advocates who have been included as reporting parties in Article 3 of Government Regulation Number 43 of 2015 concerning Reporting Parties in Prevention and Eradication of Money Laundering, by following Article 8 of the Government Regulation, Advocates are required to submit reports if there are Suspicious Financial Transactions to PPATK. Then the PPATK searched for the identity of the perpetrators, colleagues, family to business partners until the discovery of the perpetrators with the term follow the money Suspicious Financial Transactions according to Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Acts and according to Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering Crime namely Suspicious Financial Transactions are:

- ✓ Financial Transactions that deviate from the profile, characteristics, or customs of the Transaction pattern of the relevant User;
- ✓ Financial Transactions by Service Users that are presumed to be conducted to avoid reporting Transactions in question which must be carried out by the Reporting Party by following the provisions of the laws and regulations governing the prevention and eradication of the crime of money laundering;
- ✓ Financial Transactions carried out or canceled conducted by using Assets that are suspected to originate from the results of a criminal offense; or
- ✓ Financial Transaction requested by PPATK to be reported by the Reporting Party because it involves Assets that are allegedly the result of a criminal offense.

However, because Advocates are professional groups such as Notaries, land deed officials, accountants, public accountants, and financial services planners. So it is very natural that in reporting suspicious financial transactions to the PPATK for the benefit of and on behalf of the service user, the regulations on matters that must be reported are distinguished, this is certainly different from the Provider of Financial Services and Providers of Goods and / or Other Services. So that must be reported by Advocates for the benefit or for and on behalf of service users, by following Article 8 paragraph (1) Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering Crime, namely regarding:

- ✓ Property purchased and sale;
- ✓ Management of money, securities and / or other financial service products;
- ✓ Management of current accounts, savings accounts, deposit accounts and / or securities accounts;
- ✓ Operation and management of the company; and/or
- ✓ Establishment, purchase, sale of legal entities.

Then with the issuance of Regulation of the Head of PPATK Number 11 of 2016 concerning Procedures for Submitting Reports on Suspicious Financial Transactions for

Professionals, then in Article 3 paragraph (2) concerning reporting obligations. In addition to the provisions above, there are also the following matters, namely for the benefit or for and on behalf of the User as referred to in paragraph (1) in the case of contractual nature:

- ✓ Based on the power of attorney both general and special;
- ✓ Based on the appointment as a trustee or nominee who acts for and on behalf of the person who appoints;
- ✓ Prepare documents and data supporting transactions, both in electronic and other forms that prove the operation of a transaction;
- ✓ Acting as custody, carrying out investment policies or conducting supervision;
- ✓ As a legal owner acting for the benefit of a beneficial owner who is the party that controls and enjoys the legal consequences of the actions of the legal owner;
- ✓ Acting in the interests of others if there is a binding business group (group); etc.

Also, the obligation of Advocates to report to the Financial Transaction Reports and Analysis Center (PPATK) related to Suspicious Financial Transactions gets a few exceptions. The exceptions in Government Regulation Number 43 the Year 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering include:

- ✓ Ensuring the legal position of the service user; or
- ✓ Handling a case, arbitration, or alternative dispute resolution.

With Article 8 paragraph 2 of Government Regulation No. 43 the year 2015, it provides a broad space for lawyers as one of the four (4) pillars of law enforcement to develop the reporting profession to prevent suspicious financial transactions. Every transaction above Rp.500,000,000 (five hundred million rupiah) must be traced with this PPATK from whom to whom. Traced where this transaction money is, in what form, because it is feared that it will enter the crime of money laundering (TPPU). Ensuring the legal position of service users in this government regulation is an Advocate conducts a thorough legal inspection (legal due diligence / legal audit) of a company or transaction object by following the purpose of the transaction, to obtain information or material facts that can describe the condition of a company or object transaction.

So that Advocates in taking action on behalf of clients in the form of financial activities must be reported to the Financial Transaction Reports and Analysis Center (PPATK), but in the case of Advocates acting on behalf of clients in carrying out legal activities both litigation and non-litigation, this matter is excluded for reporting at the Financial Transaction Reports and Analysis Center (PPATK), because this is protected by statutory regulations where Advocates are required to maintain the confidentiality of their clients. With the issuance of the Head of PPATK Regulation Number 11 the Year 2016, there is also a provision that the Professionals included in the reporting party in Government Regulation Number 43 of 2015 must terminate business relations with Service Users if:

- ✓ Service Users refuse to adhere to the principle of recognizing Service Users; or
- ✓ The profession doubts the truth of the information submitted by the service user. And the profession must report it to PPATK regarding the termination of the business relationship as a suspicious financial transactions.

Before reporting to PPATK, the Advocate is required to assign a reporting officer of his choosing, then register through the GRIPS Application, and after that report to PPATK. Submission of suspicious Financial Transaction reports is indeed mandatory to be carried out electronically, but because until the completion of writing this scientific work the access is not yet available, the submission can be done manually by sending reports in Microsoft Excel format and stored in compact disks, flash disks, or storage facilities others through shipping or shipping services, courier services, or shipping directly to the PPATK office. Also, it must be accompanied by sending a notification letter to PPATK.

Advocates do have an obligation to submit reports to the Financial Transaction Reports and Analysis Center (PPATK) so that if an Advocate does not carry out these obligations, the Advocate will get sanctions. Sanctions are administrative sanctions in the form of:

- ✓ Written warning
- ✓ Announcement to the public regarding actions or sanctions; and / or
- ✓ Administrative fines

Advocates do have an obligation to apply the principle of recognizing service users and should report if there are suspicious financial transactions, but are limited to the purchase and sale of property, management of money, securities, and/or other financial service products, management of current accounts, savings accounts, deposit accounts, and/or securities accounts, operations and management of companies, and/or the establishment, purchase, sale of legal entities. So the Advocate does not need to worry, because there are exceptions when he is ascertaining the legal position of the Service User or handling a case, arbitration, or alternative dispute resolution. Because basically, Advocates as legal subjects can report if they find out there are Suspicious Financial Transactions to the authorities.

IV. CONCLUSSION

Legal arrangements regarding the profession's role as a reporting party in preventing and eradicating money laundering have not been effective. To achieve an optimal regulation of law, a legal system is needed, that is, a unified whole system encompassing legal structure, a legal substance, legal culture. In the legal regulation mandated in Government Regulation Number 43 of 2015 that the profession is required to report suspicious financial transactions for its clients such as the purchase and sale of property, management of money, securities, and/or other financial service products, management of current accounts, savings accounts, deposit accounts and/or securities, operations, management accounts of the company; and/or the establishment, purchase, sale of a legal entity.

However, this Government Regulation also regulates the exclusion of reporting obligations for professions acting in the interest of or for and on behalf of the Service User, to ensure

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the legal position of the Service User and the handling of a case, arbitration or alternative dispute resolution. Advocates are aligned with other providers of goods and/services because advocates also provide legal assistance services for their clients. Advocates as reporting parties do not violate the principle of maintaining client confidentiality.

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