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Urgency of Money Laundering Crime Policy Reform in the Implementation of Digital Rupiah in Indonesia

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Abstract. *The development of financial technology, especially with the introduction of the digital rupiah, presents new challenges in the supervision and prevention of money laundering (TPPU) in Indonesia. Although existing regulations are sufficient to regulate conventional transactions, these regulations are not fully prepared to anticipate potential money laundering risks related to digital transactions. This study identifies shortcomings in existing TPPU policies, including limited supervisory infrastructure, lack of regulations for cross-border transactions, and challenges in verifying identity in digital transactions. More adaptive policy reforms and comprehensive regulatory updates are needed to address these challenges. Applying advanced technology, strengthening coordination between related institutions, and public education is key to creating a safe and trusted financial ecosystem in dealing with financial technology-based transactions, including Rupiah Digital.*

Keywords; *Money Laundering (TPPU), Rupiah Digital, Financial Technology.*

1 INTRODUCTION

The development of technology, especially in the field of information and communication, has had a significant impact on various sectors, including finance. The digital revolution has changed the way people transact with the emergence of myriad innovations such as electronic money, digital payment systems, and cryptocurrencies. Blockchain technology, which underlies cryptocurrencies, is increasingly being adopted by many countries and financial institutions as an alternative payment system that is more efficient and transparent. (Ardyanto, 2022) In Indonesia, Bank Indonesia has taken an important step by planning to launch a digital rupiah to encourage financial inclusion and increase transaction efficiency, as well as reduce dependence on cash. The technology has the potential to speed up cross-border transactions but also brings new challenges in terms of monitoring and controlling financial crimes, such as money laundering. (Saidin, 2015)

Technological advances, especially in the digitalization and communication field, have opened up space for the development of various types of increasingly complex non-conventional crimes. One crime that has grown along with this progress is money laundering (TPPU). Along with financial technology usage, such as digital transactions, cryptocurrencies, and online payment systems, criminals now have easier access to hide the trail of money from illegal activities. Increasingly connected systems allow money laundering to be performed more covertly, obscuring the origins of funds from criminal activities, such as drug trafficking, corruption, or fraud. This process can be conducted through digital transactions that are

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difficult to trace, using various technology platforms that are not always monitored by traditional surveillance systems. In addition, the rapid development of technology brings major challenges for law enforcement and regulators in identifying and mitigating increasingly sophisticated money laundering practices. The methods used in money laundering are now more varied and are not limited to traditional financial structures. For example, the use of cryptocurrencies or money transfers between countries using digital platforms that are not registered with the regulations of a particular country makes the money trail increasingly difficult to trace. (Soewarsono, 2004)

Money laundering (TPPU) is transnational in nature because it is often related to crimes involving various countries, and is a continuation of the underlying predicate crime. This money laundering can involve various types of crimes, such as drug trafficking, tax evasion, corruption, or fraud, the impact of which extends to the global economy. In this case, TPPU not only impacts the country where the crime occurs but can also affect international economic stability. The link between TPPU and predicate crimes forms what is known as the shadow economy, a condition in which illegal and unrecorded economic activities exacerbate economic instability, reduce state revenues through taxes, and create greater social inequality. (Sjahdeini, 2007)

This shadow economy, according to some experts, can cause much wider negative impacts, such as increased levels of corruption, wider social disparities, and poverty. Money laundering that occurs due to economic instability also has significant implications for national development, the financial system, and the process of economic and government liberalization. In this context, the role of banking institutions as the main corporations in carrying out money laundering becomes crucial. Banks are often used to hide the proceeds of crime by doing investments or transfers of funds that are difficult to trace. However, along with the development of technology, financial institutions have developed rapidly. Currently, transactions are not only carried out in cash but also in electronic and digital forms, which makes it easier for criminals to hide their tracks, thus exacerbating the challenges for authorities in dealing with money laundering in this digital era. (Hamzah, 2017)

The development of digital currency has been very rapid, starting with the emergence of cryptocurrency in 2008, followed by the adopting Central Bank Digital Currency (CBDC) idea by Indonesia in 2015 under the name Rupiah Digital. Rupiah Digital is expected to provide significant benefits, as with cryptocurrency, which offers an investment alternative to the capital market and utilizes blockchain technology and smart contracts to create efficiency and effectiveness in the economic sector. Blockchain as the basic technology of cryptocurrency has also inspired Bank Indonesia to develop Rupiah Digital, which is expected to have a greater impact on Indonesia's economic development. In addition, digital currency, both in the form of crypto and Rupiah Digital, provides convenience in conducting cross-border transactions, opening up new opportunities to facilitate international trade and global economic transactions. (Anggraeni, 2022)

However, although Rupiah Digital has various advantages, massive and large-scale adoption can also cause several serious problems. One of them is the potential for misuse of data and information that can harm related parties, as well as the risk of using digital currency as a means to commit crimes such as corruption, tax evasion, and money laundering. The ease of cross-border transactions offered by Rupiah Digital also increases the potential for money laundering, where funds that are freely transferred between countries can be hidden more easily through processes that are undetectable by financial authorities. This poses a major challenge for governments and financial institutions to ensure the security and effective supervision of digital transactions to prevent misuse that can harm the stability of the country's economy and financial system. (Awang Abu Bakar, 2020)

Digitalization has changed the face of the financial world and has had a significant impact on the potential for money laundering (TPPU). Along with the rapid development of technology, financial transactions are now easier to do electronically, allowing criminals to move funds from crime in a more anonymous and difficult-to-trace manner. Digital technology in the financial world also increases efficiency and convenience for users, but on the other hand provides space for illegal actions, including money laundering. In this context, digitalization is not only beneficial for legitimate economic activities but also creates new loopholes that can be exploited by TPPU perpetrators to hide suspicious fund flows without being detected by existing monitoring systems.

One of the main ways to launder money in the digital era is by utilizing cryptocurrencies, such as Bitcoin or Ethereum, which offer a high level of anonymity in transactions. Cryptocurrencies allow criminals to transfer money between digital accounts quickly and without going through the supervision of traditional financial institutions. Besides, the increasing number of transactions between digital accounts also opens up opportunities for abuse. TPPU perpetrators can transfer funds through various digital financial platforms, such as digital wallets, payment applications, or online money transfer services, which are increasingly difficult to identify or track. By using cross-border transactions, money sent can easily infiltrate another country's financial system before finally being transferred back, worsening oversight and increasing the difficulty of uncovering the origins of the funds. (FATF, 2018)

The threat to the integrity of Indonesia's financial system becomes greater if TPPU cannot be controlled properly in the digital era. If suspicious transactions cannot be detected or handled effectively, this can damage the country's economic stability, increase the potential for corruption, and worsen economic injustice. The existence of funds circulating without adequate supervision can also damage the image of the national financial system in the eyes of the international world, reduce investor confidence, and worsen Indonesia's position in the global economy. (Disemadi, 2021)

Money laundering (TPPU) policy reform is vital to address the rapid development of financial technology, including the digital rupiah in Indonesia. The digital rupiah is a form of money issued and controlled by Bank Indonesia and has the potential to bring significant progress to the country's payment system and economy. However, the presence of digital currency also opens up opportunities for criminals to exploit loopholes in the system that are not yet fully protected. Therefore, reforming the TPPU policy which can include technological developments is vital to ensure that all transactions using digital rupiah remain under strict supervision and are not misused for money laundering activities. Adaptive and appropriate regulations will help balance between encouraging innovation and maintaining the integrity of the national financial system.

Currently, existing TPPU policies are still not fully adequate in addressing the potential for money laundering related to the use of digital rupiah. Most existing policies tend to still focus on traditional financial transactions, while digital transactions, especially those involving digital currency, are developing very quickly and are often beyond the reach of existing regulations. It creates loopholes that allow money laundering to occur through the transfer of funds that are difficult to track or identify. Therefore, a more comprehensive policy adaptation is needed to cover all aspects of digital transactions, including stricter supervision of digital currency transactions, user identification, and the integration of new technologies into the financial supervision system. Without proper reform, the potential for misuse of digital rupiah for money laundering activities will continue to threaten the stability of the economy and the integrity of the Indonesian financial system.

2 METHOD

The research method used in this study is normative legal research, which focuses on the study of legal norms written in laws and regulations and relevant legal doctrines. This approach aims to analyze the legal norms governing money laundering (TPPU) and their implications for the implementation of the digital rupiah in Indonesia. This study focuses on primary legal sources, such as laws, government regulations, and related decisions, as well as legal literature that can explain in depth the existing regulations and policies, and how these legal rules are implemented in a broader context, including in overcoming the potential for TPPU through financial technology and digital currency.

In analyzing the existing problems, this study also uses a legislative approach that aims to examine and criticize existing regulations related to TPPU and the use of digital rupiah. This approach identify shortcomings and weaknesses in existing legal policies and see the extent to which these regulations can accommodate the rapid development of financial technology, including digital rupiah. In addition, this study also uses an analytical approach, which serves to critically analyze the substance of the legislation, as well as its impact and effectiveness in overcoming potential financial crimes in the digital era. Through this approach, the study can provide recommendations regarding the need for policy reform to combat money laundering by utilizing advances in digital technology.

3 RESULT AND DISCUSSION

Regulation of Money Laundering Crimes (TPPU) Related to the Use of Digital Rupiah in Legislation in Indonesia

Currency, from a legal perspective, has a strong basis in the 1945 Constitution of the Republic of Indonesia (UUD NRI 1945). About currency, two important aspects need to be considered, namely the formal legal and material legal aspects. From a formal legal perspective, the formation of currency is regulated through a legislative process, which begins with the proposal of a draft law submitted by the People's Representative Council (DPR). It is explained in Article 20 in conjunction with Article 21 of the 1945 UUD NRI, which gives the DPR the authority to draft and discuss laws, including laws related to currency. Meanwhile, from a material legal perspective, provisions regarding currency must cover various matters related to the type and value of the currency, which are stipulated through laws and regulations to achieve a national economy based on the principles of economic democracy. These principles include togetherness, efficiency, justice, sustainability, and maintaining national economic balance by Article 23 in conjunction with Article 33 Paragraph (4) of the 1945 UUD NRI. (Hendarta, 2022)

In Indonesia, the currency currently used consists of three types, namely Paper Rupiah, Metal Rupiah, and Digital Rupiah. The process of developing and issuing Digital Rupiah in Indonesia began with a program initiated by Bank Indonesia (BI). The design for this digital currency was first initiated with the issuance of a program and White Paper by Bank Indonesia in November 2022, which outlined the basics and objectives of issuing Digital Rupiah. In addition, in January 2023, BI issued a consultative paper that provided further insight into the early stages of development of the Digital Rupiah, known as the wholesale Rupiah Digital Cash Ledger. This includes an introduction to basic technologies, such as issuance, destruction, and fund transfers, as well as the impact of issuing Digital Rupiah on the payment system, financial stability, and the monetary system as a whole. (Lisanawati, 2022)

Digital Rupiah, issued by Bank Indonesia as a Central Bank Digital Currency (CBDC), has various functions and characteristics that make it different from conventional currencies. As a product issued by the Central Bank, the digital rupiah provides strong control over the integrity and sovereignty of the country's currency. The transferability function or ease of financial circulation allows transactions to be more efficient with the principle of low or even no cost at all. In addition, storability ensures that transaction history can be stored in data form by the Central Bank, providing better transparency and security. Another advantage is the ability to conduct offline transactions, where transactions can be carried out without the need to involve a third party or a time-consuming process. Exchangeability allows the digital rupiah to be exchanged for other countries' currencies, be it CBDC or traditional currencies, easily and quickly. Controllable regulations provide strict control over provisions to prevent illegal economic activities, with direct supervision from the Central Bank regarding the policies and technologies used. Finally, flexibility three types of transaction models: indirect transactions involving intermediaries, direct transactions conducted with the Central Bank, and a hybrid model where payments are processed through the Central Bank but handled by commercial banks. All these features make the digital rupiah a modern and safe payment tool which supports the efficiency and security of transactions in the digital era. (Mahardika, 2023)

In addition to having different functions and characteristics, Bank Indonesia (BI) also emphasized several urgencies that make the Digital Rupiah very necessary in Indonesia. First, the Digital Rupiah is expected to be a trusted payment instrument that can be accessed by the wider community, as a form of reliable digital money. Second, the Digital Rupiah is considered a sustainable solution for supporting the development of a more efficient and inclusive digital financial system. Third, the quality of the Digital Rupiah is expected to be safer and more efficient compared to physical currency and checking accounts at Bank Indonesia. Fourth, the issuance of the Digital Rupiah is also intended to strengthen the resilience of the Indonesian people's payment system, ensuring long-term economic stability and sustainability. With its digital-based characteristics, the Digital Rupiah offers much greater convenience compared to currency specified to face-to-face transactions, and opens up wider opportunities for financial inclusion, facilitating various economic transactions between agents without physical limitations.

In Indonesia, the crime of money laundering (TPPU) is regulated in Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering (UU TPPU). This law is the legal basis that regulates how to prevent and eradicate money laundering crimes that aim to break the link between the original crime and the proceeds of the crime. The basic principle of the TPPU Law is to protect the financial system from abuse and ensure that all financial transactions are carried out legally and transparently. The implementation of this law aims to create a healthy and safe environment for the community and financial institutions from the risk of illegal activities. Thus, the regulation of money laundering plays an important role in maintaining economic stability and the integrity of the national financial system. (Kurniawan, 2012)

In the development of regulations related to digital currency, Indonesia has begun planning and implementing regulations that focus on the use of digital currency, especially the Digital Rupiah. Bank Indonesia has prepared policies and a legal framework for the launch of the Digital Rupiah as part of a more modern and efficient digital technology-based payment system. This plan began with the issuance of a White Paper and Consultative Paper by Bank Indonesia, which discusses the mechanisms and benefits of using the Digital Rupiah to increase financial inclusion and the stability of the payment system in Indonesia. The existing regulations also relate to digital transactions in general, where transactions involving digital currency can impact the Indonesian financial system, such as increasing the efficiency of cross-border payments and reducing transaction costs. However, this regulation also requires attention to potential security risks and the implementation of stricter supervision to prevent misuse in digital transactions. (Rani, 2021)

The existence of the Digital Rupiah brings new potential for the Indonesian payment system but also opens up opportunities for abuse, including money laundering. With the ease and speed of transactions that allow the flow of digital money between countries without obstacles, the Digital Rupiah could become a means for criminals to hide the origins of illegal funds. It could worsen the problem of money laundering because the digital nature allows transactions to be carried out anonymously and across national borders without sufficient supervision. (Zams, 2020) Therefore, regulations related to the use of Digital Rupiah must include mechanisms to supervise and mitigate the risk of money laundering. Bank Indonesia and related institutions need to ensure that regulations on digital currencies also considering the potential for digital crime and ensure the integrity of the financial system, with stricter law enforcement and policy adaptations that can anticipate developments in financial technology.

Deficiencies in the Current Anti-Money Laundering (TPPU) Policy in Addressing Potential Misuse of Digital Rupiah

In the rapidly developing digital era, the use of digital currencies such as Rupiah Digital offers various conveniences and efficiencies in the payment system. However, this technological advancement also brings major challenges in the prevention and eradication of Money Laundering (TPPU). The current TPPU policy in Indonesia, although it regulates various forms of money laundering, has not been fully able to anticipate the potential for misuse related to digital transactions. Limitations in existing regulations, lack of adequate supervisory infrastructure, and challenges in tracking cross-border transactions create loopholes for criminals to hide the proceeds of crime through the use of Rupiah Digital.

One of the biggest weaknesses in the current Money Laundering (TPPU) policy is the incompleteness of regulations governing digital transactions, including transactions using Rupiah Digital. Although Indonesia has issued regulations related to digital transactions, many regulations do not fully cover aspects of the newly emerging digital currency. Transactions using Rupiah Digital can be carried out anonymously, which opens up loopholes for individuals or groups to carry out money laundering activities without being detected. In addition, the difficulty of tracking identities in some digital transactions, especially outside the conventional banking system, makes it difficult for authorities to distinguish legitimate transactions from suspicious transactions. With a system that is not yet fully structured, TPPU regulations need to be adjusted immediately to overcome the potential for misuse caused by the use of Digital Rupiah.

Supervision of digital transactions, especially those using Digital Rupiah, faces major challenges. In a rapidly developing digital system, where transactions can occur in seconds, real-time supervision becomes very difficult. For example, transactions between users on digital platforms or blockchains that use Digital Rupiah can be challenging to monitor directly by supervisory agencies such as PPATK or Bank Indonesia. This adds to the difficulty in detecting suspicious or inconsistent fund flows, which can be a sign of money laundering activities. Without adequate infrastructure to supervise and monitor digital transactions, the potential for misuse of digital currency for money laundering crimes becomes greater.

Alongside to the challenges in domestic supervision, the lack of regulation is also felt in the context of cross-border transactions involving Digital Rupiah. Many countries do not yet have an international agreement that unifies rules on digital currency usage, creating gaps in the global supervision system. Transactions between countries using digital currency make it easier for criminals to divert funds without having to go through strict checks or supervision from financial institutions in certain countries. Therefore, harmonization of regulations between countries is needed to ensure effective supervision of cross-border transactions involving the Digital Rupiah. Without an international agreement on the regulation and prevention of money laundering through digital currencies, criminals can easily exploit the system for illegal purposes.

Education and awareness regarding the potential for misuse of the Digital Rupiah in the context of Money Laundering (TPPU) are still very minimal. The general public, including active users of digital currencies, often does not clearly understand how digital transactions can be used for illegal activities. This lack of understanding makes many users more vulnerable to misuse, either by irresponsible third parties or by criminals who take advantage of their ignorance. In addition, business actors and financial institutions involved in digital transactions are often less prepared to identify the risks related to TPPU. More intensive education programs are needed to raise awareness regarding the dangers of misuse of the Digital Rupiah and the importance of transparent transaction management.

In addition to regulation and supervision, the application of security technology in digital transactions, especially those involving the Digital Rupiah, is still limited. Less sophisticated identity verification and a security system that is easy to break can open up opportunities for money launderers to carry out transactions without being detected. Technologies such as know-your-customer (KYC) or anti-money laundering (AML) that are applied in several financial sectors have not been fully implemented in all digital transactions. It risks creating space for criminals to distract funds illegally, without being identified quickly. Therefore, the development and application of more sophisticated security technology and a stricter identity verification system are needed to prevent misuse of the Digital Rupiah.

To eradicate Money Laundering (TPPU) through the use of the Digital Rupiah, coordination between related institutions is necessary. Institutions such as Bank Indonesia (BI), PPATK, and other financial institutions must work together to create a comprehensive supervisory ecosystem. However, the challenge of this coordination still exists, where each institution often operates separately and does not always share information optimally. The lack of synergy between institutions makes it difficult to detect and deal with suspicious transactions quickly. More coordinated efforts are needed between related institutions in formulating more effective policies, to strengthen the prevention and eradication of TPPU involving the use of digital currencies, such as the Digital Rupiah.

Anti-Money Laundering (TPPU) Policy Reform Needed to Address Challenges Emerging with the Implementation of Digital Rupiah in Indonesia

The current Money Laundering (TPPU) policy in Indonesia has not been able to fully address the challenges that arise along with the development of financial technology, especially with the presence of the Digital Rupiah and other digital technologies. TPPU in Indonesia focuses more on cash-based transactions or those that occur through the conventional banking system. With the increasing use of digital currencies, both Digital Rupiah and cryptocurrencies, as well as an increasingly complex digital ecosystem, existing regulations are becoming less relevant and not adaptive enough to handle the potential for new abuses. This is due to the characteristics of digital transactions that are more anonymous, faster, and more difficult to track compared to cash transactions or those using traditional bank accounts. For example, transactions using the Digital Rupiah that can be carried out directly between the parties involved without intermediaries, make it difficult to detect and prevent money laundering crimes involving large amounts of funds in a short time.

Along with the shift to a digital payment system, regulatory updates are needed that can accommodate the characteristics of these digital transactions. The regulations must focus more on transparency and real-time supervision, as well as adjustments to new technologies such as blockchain that underlie many digital transactions. Therefore, to address money laundering involving digital transactions, existing regulations need to be more comprehensive, including recording and reporting digital transactions, as well as utilizing advanced technology to detect suspicious patterns. In addition, regulations must pay attention to the protection of personal data and user identities, which are often challenges in digital systems. In this regard, Bank Indonesia and other related institutions need to carry out policy reforms that integrate supervision of digital transactions involving Rupiah Digital and other digital currencies, in order to prevent potential misuse and maintain economic stability and the financial system in Indonesia.

The Money Laundering Crime (TPPU) policy currently in effect in Indonesia has limitations in addressing new challenges that arise with the development of financial technology, especially with the emergence of Rupiah Digital and other technologies such as cryptocurrencies. Existing regulations focus more on conventional transactions carried out through banks and traditional financial systems, which still rely on physical or electronic transactions based on conventional bank accounts. However, in a digital system, such as that offered by Rupiah Digital, transactions can be carried out anonymously and without intermediaries at a very fast time. This creates a loophole for money launderers to exploit weaknesses in existing regulations, due to the difficulty of tracking and monitoring transactions directly, as well as the potential anonymity provided by digital technology.

In encountering the increasing complexity of digital transactions, regulatory updates are needed that are more adaptive and responsive to these changes. New regulations must address in detail transactions involving digital currencies, especially the Digital Rupiah, which include transaction transparency policies, user identity verification, and the obligation to report suspicious transactions. It is necessary to prevent misuse of the digital payment system that can open up loopholes for financial crime. Changes in regulatory needs also include regulations that require technology companies and financial institutions to automatically report transactions that occur in the digital system to the competent authorities, so that they can take the necessary follow-up.

To overcome this challenge, technology can be key in strengthening TPPU policies. Advanced technologies, such as Artificial Intelligence (AI), big data, and blockchain systems can be used to monitor and analyze digital transactions more effectively and efficiently. AI and big data can help identify suspicious transaction patterns, which are difficult to detect manually. Meanwhile, blockchain, which underlies many digital transactions, can provide a transparent and immutable audit trail crucial for detecting and preventing money laundering practices. Improvements to the identity verification system should also be part of this policy reform, to ensure that every transaction made through the Digital Rupiah is carried out by a legitimate party and is not misused.

In addition, collaboration between institutions is very important in strengthening supervision of digital transactions. Bank Indonesia, PPATK, law enforcement agencies, and other financial institutions must work together more intensively to create a comprehensive and integrated supervision system. This TPPU policy reform must also encourage related institutions to share data and information more effectively and efficiently, to strengthen efforts to prevent and eradicate money laundering in the digital sector. With better collaboration, it is hoped that a safer and more transparent ecosystem will be created, which will not only reduce the risk of money laundering but also increase public trust in the Digital Rupiah as a legal and safe payment instrument.

The development of international standards in regulating cross-border transactions is essential to address potential money laundering risks involving the Digital Rupiah. Given that digital transactions can easily cross borders, effective supervision requires the adoption of policies that are in line with international standards, such as those set by the Financial Action Task Force (FATF) and other international institutions. These standards will provide guidelines for identifying and mitigating risks arising from cross-border transactions. Therefore, international cooperation is key in regulating and supervising the Digital Rupiah, ensuring that every transaction between countries can be monitored effectively. Countries must share information on suspicious transactions and work together to address financial crimes involving digital currencies.

Public education and awareness also play an important role in increasing compliance with anti-money laundering policies. The public and business actors need to gain a deeper understanding of the potential money laundering risks associated with Digital Rupiah usage. The education program should include counseling on how to identify suspicious transactions, as well as providing an understanding of their responsibilities in preventing misuse of the digital system. In addition, awareness of the importance of compliance with anti-money laundering regulations needs to be strengthened by emphasizing how every individual and company can play an active part in maintaining the integrity of the digital payment system. With proper education, it is expected that the public will be more careful in making transactions and reporting suspicious activities.

Bank Indonesia's position in designing and implementing regulations that support the security and integrity of the Digital Rupiah is vital. As the authority responsible for monetary policy and the payment system, Bank Indonesia must ensure that the Digital Rupiah is viewed as a safe and trusted instrument by the public. It includes steps to prevent misuse, such as assuring a sophisticated security system, strict identity verification, and real-time transaction monitoring. Bank Indonesia also needs to play a role in maintaining stability and trust in the Digital Rupiah by ensuring that every policy implemented not only prevents money laundering but also supports financial inclusion and economic progress.

4 CONCLUSION

The development of financial technology, especially with the Digital Rupiah, presents new challenges for the Money Laundering (TPPU) policy in Indonesia. Although the current regulations are adequate for conventional transactions, the policies are not fully ready to address the risks arising from digital transactions, which are more complex and not bound by national borders. Limitations in supervisory infrastructure, lack of coordination between institutions, and the absence of adequate regulations for cross-border transactions are the main obstacles in preventing money laundering involving the Digital Rupiah. Therefore, a reform of the TPPU policy is needed that is more adaptive to technological developments to a better comprehensive regulatory update to cover digital transactions.

Suggestions for this policy reform are; first, strengthening coordination between institutions involved in supervising digital transactions, including Bank Indonesia, PPATK, and other law enforcement agencies. Second, developing policies that support transparency, identity verification, and reporting of suspicious transactions must be a priority to mitigate the risk of money laundering. Third, it is critical to adopt international standards related to cross-border transactions to strengthen supervision of transactions involving the Digital Rupiah at global. Finally, public education and awareness regarding potential money laundering risks must be encouraged so that the public and business actors can better understand the importance of complying with anti-money laundering policies in the digital ecosystem.

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