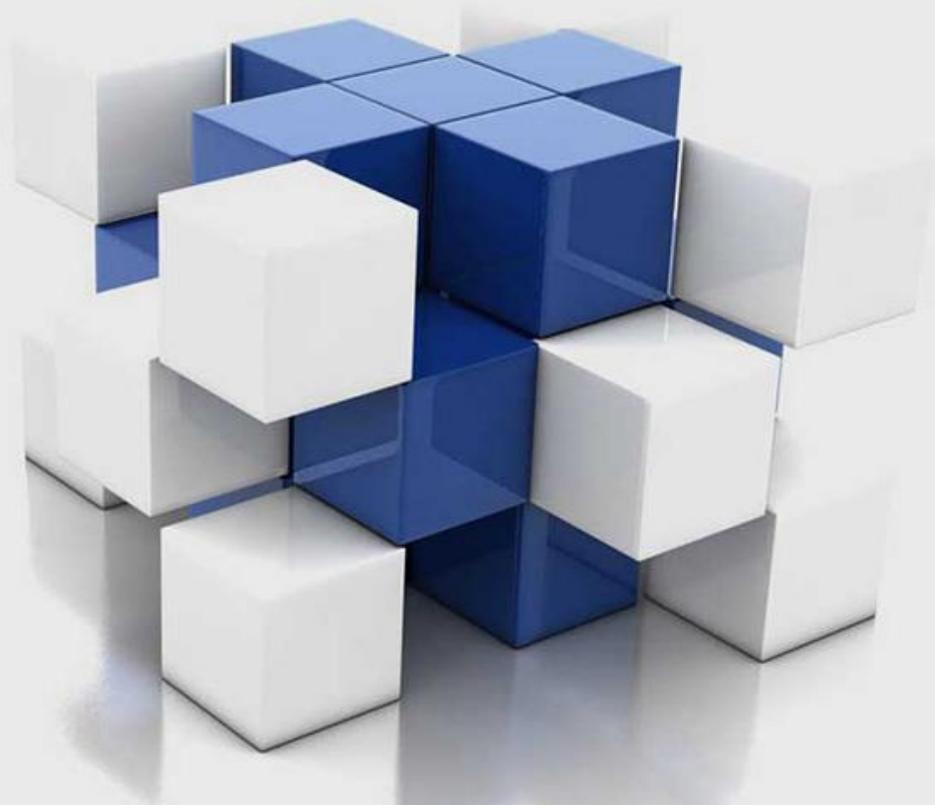




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Money Laundering in Tax Crime Case in Indonesia

New Delhi, October, 2024



General Provisions and Tax Procedures Law

Article 39A

Any persons that deliberately:

- a. issue and/or use tax invoices, withholding receipts and/or tax payment slips that are not based on actual transactions; or*
- b. issue tax invoices before being registered as a Taxable Person for VAT Purposes,*
shall be sentenced to imprisonment for a minimum of 2 (two) years and a maximum of 6 (six) years and a minimum fine of 2 (two) times the amount of taxes stated in the tax invoices, withholding receipts and/or tax payment slips and a maximum fine of 6 (six) times the amount of taxes stated in the tax invoices, withholding receipts and/or tax payment slips.)



Countermeasure And Eradication Of Money Laundering Law

- Article 3

*Anyone, who places, transfers, forwards, spends, pays, grants, deposits, takes to the abroad, changes the form, changes to the currency or securities or other deeds towards the Assets of which are recognized or of which are reasonably alleged as the result of criminal action, as set forth in Article 2 section (1) **with the purpose to hide or to disguise the origin of Assets**, shall be subject to be sentenced due to the criminal action of Money Laundering with the imprisonment for no longer than 20 (twenty) years and fine for no more than Rp10.000.000.000,00 (ten billion rupiah).*

- Article 4

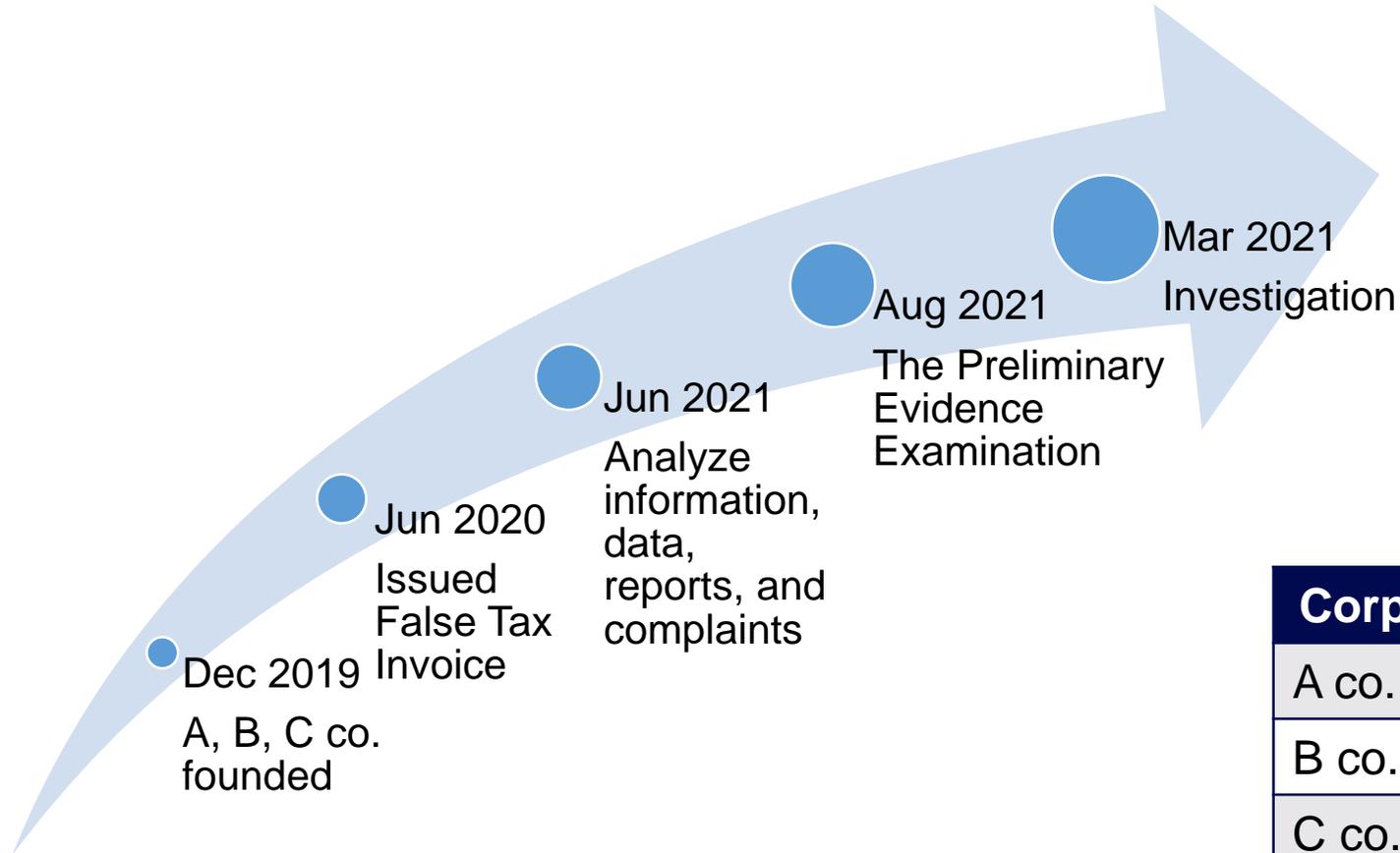
*Anyone, **who hides, or disguises** the origin, source, location, purpose, transfer of right or the truly ownership of the Assets that are known by him or of which are reasonably alleged as the result of criminal action, as set forth in Article 2 section (1), shall be subject to be sentenced due to the criminal action of Money Laundering with the imprisonment for no longer than 20 (twenty) years and fine for no more than Rp500.000.000.000,00 (five hundred billion rupiah).*

- Article 5

*Anyone, **who accepts or who takes the control** on placement, transfer, payment, grant, deposit, exchange, or utilizes the Assets of which are known by him or of which are reasonably alleged as the result of the criminal action, as set forth in Article 2 section (1), shall be subject to be sentenced with the imprisonment for no longer than 5 (five) years and fine for no more than Rp1.000.000.000,00 (one billion rupiah).*



DETECTION

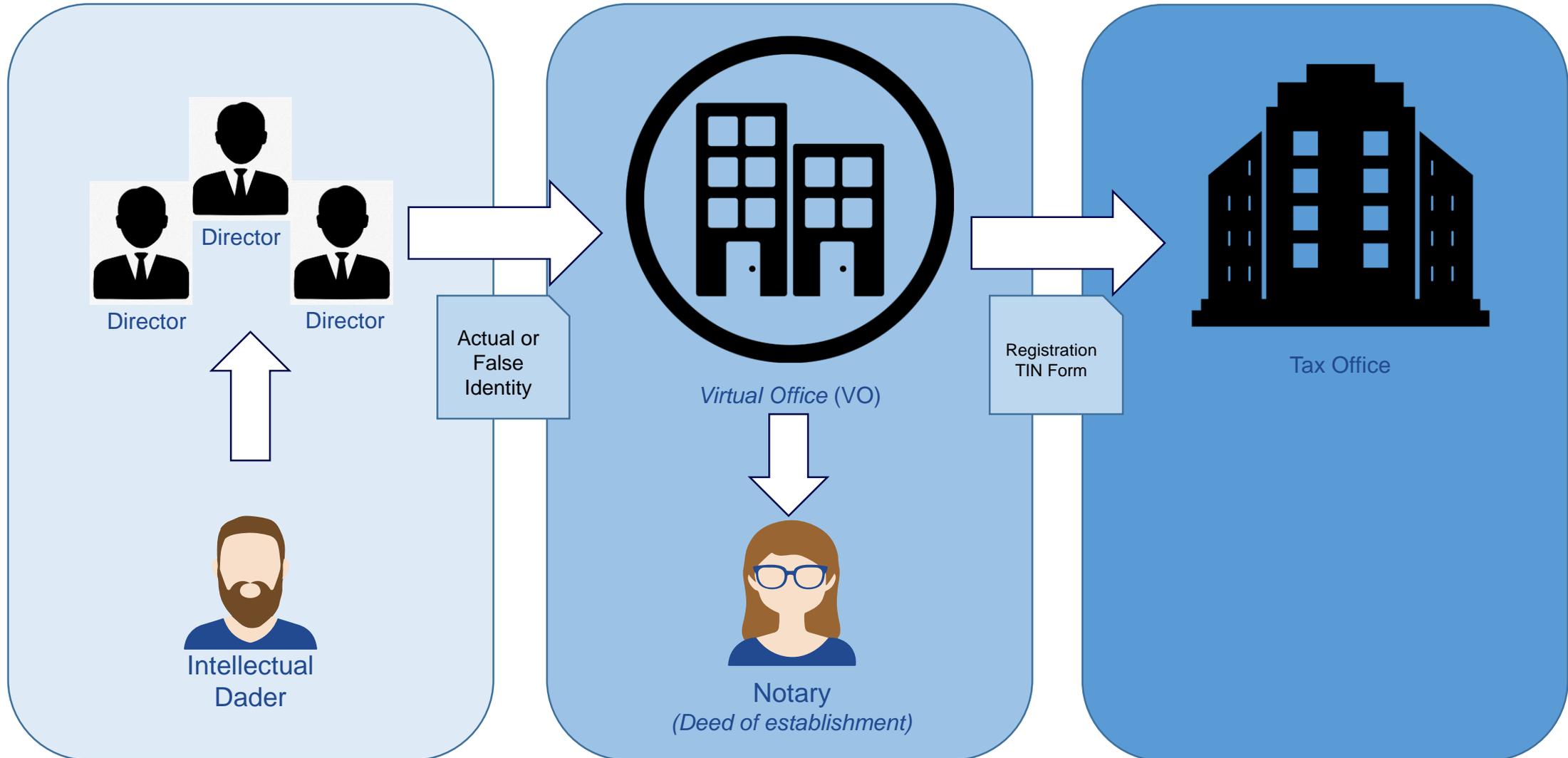


Periodic VAT Return	VAT (USD) Jun 2020
Output VAT	13,000
Input VAT	(33,000)
VAT Overpayment	(20,000)

Corporate	VAT (USD)	Tempus
A co.	3,600,000	Jun 20 - Jul 21
B co.	3,600,000	Jun 20 - Jul 21
C co.	640,000	Jun 20 - Jul 21
Total	7,840,000	

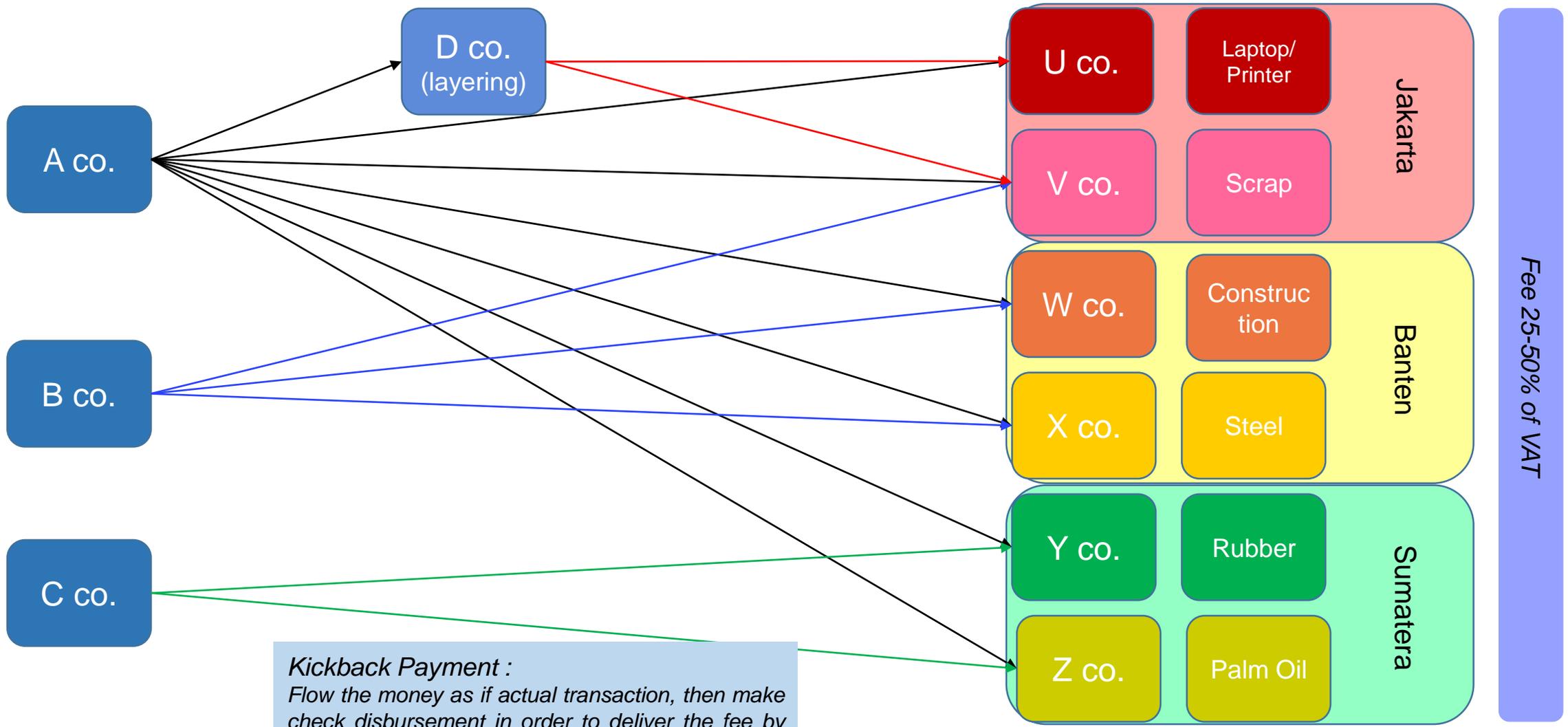


CORPORATE TAXPAYER REGISTRATION





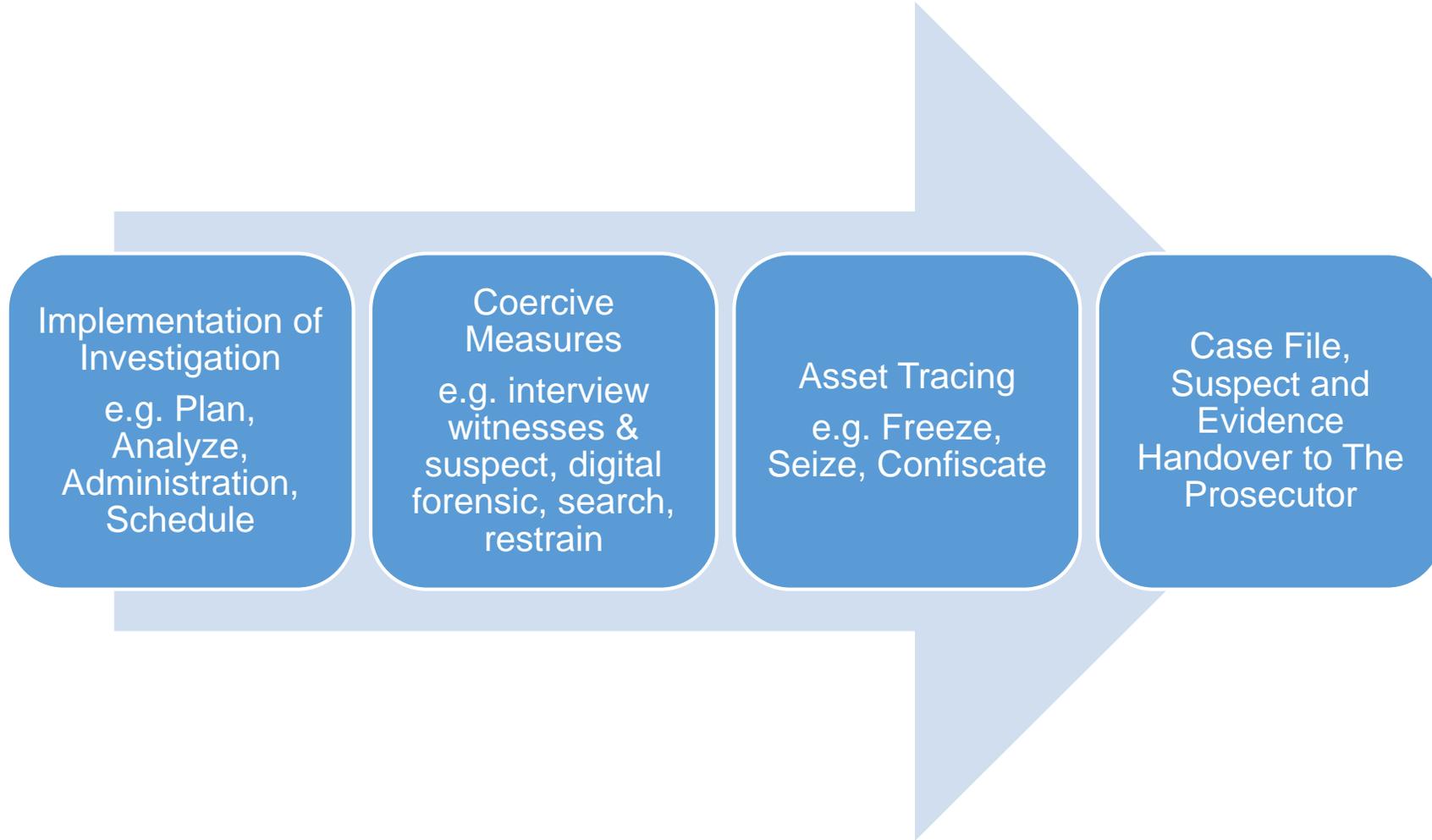
MODUS OPERANDI



Kickback Payment :
Flow the money as if actual transaction, then make check disbursement in order to deliver the fee by cash to false tax invoice issuer.



INVESTIGATION STEPS





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DIGITAL FORENSIC





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COURT SENTENCES

D E F E N D A N T



INKRACHT

3-4 years



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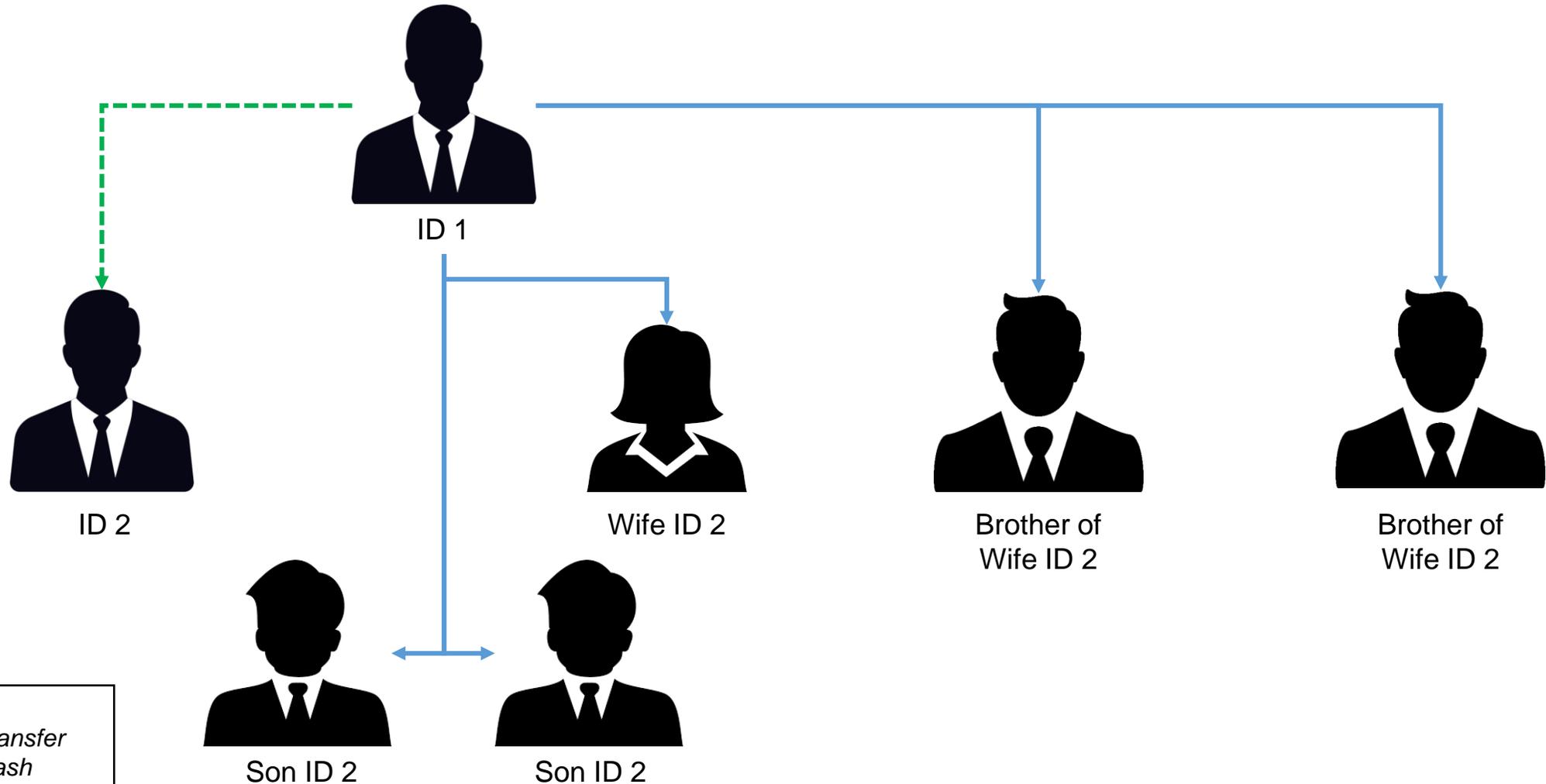
SEIZED ASSETS



Total 28,000 USD



MONEY LAUNDERING MODUS OPERANDI



Notes:
→ Transfer
→ Cash

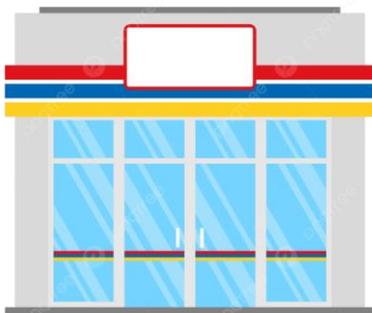


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MONEY LAUNDERING MODUS OPERANDI



Son ID 2



Minimart



Cafe



Lobster Pond



Hotel



Luxury Cars



Campaign Fund

Asset
Purchase

Nominee
Structure

Mingling



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PROBLEMS:

- Cash transactions hard to be traced
- Difficulty in asset tracing by the nominee
- Proving the illicit funds with the legitimate income of the business
- Uncooperative suspect
- Requires coordination from various parties

CHALLENGES:

- Remote asset location
- Limited budget resources
- Bank secrecy
- Facing political will and prominence people
- Lack of ML investigation experience



Namaste





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