

FATF



Anti-money laundering and
counter-terrorist financing
measures

Indonesia

3rd Enhanced Follow-up Report &
Technical Compliance Re-Rating



June 2026

Follow-up report



The Financial Action Task Force (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 recognised as the global anti-money laundering (AML) and counter-terrorist financing (CTF) standard.

For more information about the FATF, please visit the website: www.fatf-gafi.org

This document and/or any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The FATF adopted this report by written process in May 2026.

Citing reference:

FATF (2026), *Anti-money laundering and counter-terrorist financing measures – Indonesia, 3rd Enhanced Follow-up Report*, FATF, Paris
<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Mutualevaluations/indonesia-fur-2026.html>

© 2026 FATF/OECD. All rights reserved.

No reproduction or translation of this publication may be made without prior written permission.

Applications for such permission, for all or part of this publication, should be made to

the FATF Secretariat, 2 rue André Pascal 75775 Paris Cedex 16, France

(Or by e-mail: contact@fatf-gafi.org).

Photo Credit - Cover: © Magnific, © Canva, and © Pexels

Indonesia's Third Enhanced Follow-up Report

Introduction

The 4th round mutual evaluation report (MER) of Indonesia was adopted in February 2023. Indonesia was placed in enhanced follow-up based on its effectiveness results. This is Indonesia's third follow-up report (FUR) in which it is seeking re-rating on Recommendation 6.

Overall, the expectation is that countries will have addressed most, if not all, technical compliance deficiencies by the end of the third year from the adoption of their MER (Para. 85, FATF 4th Round Procedures). This report does not address what progress Indonesia has made to improve its effectiveness.

Mr. Mark Hammond, Senior Policy Advisor at Public Safety Canada assessed Indonesia's request for the technical compliance re-rating, supported by Ms. Lisa Kilduff, Policy Analyst from the FATF Secretariat.

Section 2 of this report summarises Indonesia's progress in improving technical compliance. Section 3 sets out the conclusion and includes a table showing Indonesia's MER technical compliance ratings and updated ratings based on this follow-up report.

Progress to improve Technical Compliance

This section summarises Indonesia's progress to improve its technical compliance by addressing all of the technical compliance deficiencies for R.6 identified in the MER.

Progress to address technical compliance deficiencies identified in the MER

Recommendation 6

	Year	Rating
MER	2023	PC
FUR3	2026	↑ C

- a) **Criterion 6.1 (Met)** The 2023 MER identified a minor deficiency relating to c.6.1(e) and the limited information required to be transmitted to the UN when making a proposal for designation.

(a) As set out in 2023, Satgas (Task Force) Indonesian List of Suspected Terrorists and Terrorist Organisations (DTTOT) is the competent authority with responsibility for proposing persons for designation to the 1267/1989 Committee and to the 1988 Committee for designation (Decree 122, Fourth Dictum).

(b) As set out in 2023, potential designation targets are first listed on the domestic DTTOT list, which is governed by the TF Law and issued by the Indonesian National Police (INP) following confirmation from the District Court of Central Jakarta (TF Law, Art. 27). As established in Art. 7 of the Joint Regulation on Listing of Terrorists and Terrorist Organisations and Freezing of Funds without Delay (TF Joint Regulation, 2015), relevant agencies such as the Indonesian FIU (PPATK), INP, National Counter Terrorism Agency (NCTA), and State Intelligence Agency (SIA) may identify persons (individuals or entities) for designation based on their respective functions. The DTTOT Task Force may also provide information to the INP regarding the designation of persons by foreign jurisdictions or the UN for inclusion in the domestic DTTOT list (Decree 122, Fourth Dictum).

(c) The 2023 MER concluded that while PPATK Decree 122 did not explicitly provide a “reasonable ground” or “reasonable basis” standard, in practice Indonesia used a ‘reasonable basis’, distinct from the proof that applies in criminal proceedings. PPATK Decree 670 concerning indicators of designated persons or entities listed on the list of suspected terrorists and terrorist organisations, enacted on 12 December 2025, contains an explicit requirement for the INP and DTTOT Task Force to apply a reasonable basis when proposing the designation person or entity (Second and Fourth Dicta).

(d) When submitting the proposal of designations, the DTTOT Task Force is required to comply with the procedures and standards for the listing of designated persons or entities on the UNSC Sanctions List, as issued by the relevant United Nations Sanctions Committee (the 1267/1989 Committee and/or the 1988 Committee) (Decree 670, Third Dictum).

(e) Decree 670 of 2025 requires the DTTOT Task Force to include the following information with the proposal for listing: the identity of the individual or entity, including sufficient identifying information to enable accurate and positive identification of individuals; a statement of case for the listing including specific information supporting the determination that the individual or entity meets the criteria for listing, the nature of the information, supporting documentation and details regarding the relationship between the individual/entity recommended for listing and those already listed (Fourth Dictum). The Ministry of Foreign Affairs must communicate to the relevant Committee whether Indonesia’s status as the proposing State for the listing of a designated person or entity on is to be disclosed, taking into account foreign policy considerations (Sixth Dictum). The deficiency identified in the MER has been addressed.

b) **Criterion 6.2 (Met)** The 2023 MER identified a minor deficiency regarding the lack of a specific time requirement for making the prompt determination whether the proposed designee meets the criteria for designation (c.6.2(c)).

(a) As set out in 2023, the DTTOT Task Force can receive proposals for domestic designation from its constituent agencies and foreign requests for designation are passed from the MoFA to the Task Force (Decree 122, Fourth Dictum). PPATK is responsible for compiling the case demonstrating that the person meets the criteria for listing. The DTTOT Task Force is responsible for passing the documentation to the INP for the addition of the person(s) on the domestic DTTOT list (TF Law, Art. 27).

(b) The procedure set out under c.6.1(b) also applies to the identification of targets for designation under resolution 1373. As noted under c.6.1(c), Decree 670 contains an explicit requirement for the INP and DTTOT Task Force to apply a reasonable basis when proposing the designation person or entity (Second and Fourth Dicta).

(c) The INP and DTTOT Task Force are required to promptly conduct deliberations to determine whether the proposed designee meets the criteria for designation (Decree 670, Second Dictum). Indonesia provided supporting information to demonstrate that making this determination takes on average 2 days. The deficiency identified in the MER has been addressed.

(d) As noted above, Decree 122 also covers designations pursuant to UNSCR 1373 (Fourth Dictum) and Decree 670 requires the application of a reasonable basis when proposing the designation person or entity (Second and Fourth Dicta).

(e) As set out in 2023, when requesting another country to give effect to domestic designations, the DTTOT Task Force (via the MoFA) passes the request to the foreign jurisdiction along with “complete data and information” in support (Decree 122, Annex 1.4). This includes the name and other relevant information to determine whether this request fulfils the “reasonable” ground on terrorist and TF activities.

c) **Criterion 6.3** (*Met*) As set out in 2023, the following provisions are in place:

(a) Satgas DTTOT have legal authorities and mechanisms to collect or solicit information (including intelligence, information held by domestic competent authorities, information sent by foreign competent authorities, and other reliable information) on persons that potentially meet the criteria for designation from relevant agencies (Decree 122, Fourth, Fifth, and Eighth Dicta).

(b) Decree 122 (Fifth Dictum) provides that the identification and proposed designation activities set forth in the Fourth Dictum may operate *ex parte* or without prior notification to the person or related parties.

d) **Criterion 6.4** (*Met*) The 2023 MER identified key deficiencies regarding the implementation of targeted financial sanctions without delay, finding that the period for the District Court to determine that there is a basis for designation could be up to 30 days under the TF Law. Annex 1.2 of the TF Joint Regulation purports to establish a maximum period of 3 working days to complete the listing process. In both cases, the MER concluded that the period of 3 days or 30 days to give effect to UN designations exceeds the FATF Glossary’s definition of “without delay”. While PPATK may issue circulars to FIs requiring them to postpone transactions for up to 20 days of persons being considered for designation (PPATK Regulation 18 (2017) under art. 44, TF Law), which may allow PPATK in practice to give effect to UN designations “without delay,” it does not itself require immediate freezing of the assets of UN-designated persons. That effect is subject to the discretion of PPATK in issuing the circular.

The Joint Regulation on DTTOT, amended in 2025, includes a general obligation for all natural and legal persons to freeze funds without delay and without prior notice (Art. 4.3). The Joint Regulation requires the Chief of the INP to immediately disseminate the DTTOT List, as well as any amendments to the list, to competent

authorities and Supervisory Agencies (Art. 4.1). The dissemination of the DTTOT List shall be accompanied by a request for freezing without delay (Art. 3.5). Supervisors are required to immediately submit the DTTOT List, as well as any amendments to the list, to FIs and DNFBPs (Art. 4.4). Annex 1.2 of the Joint Regulation details the workflow process for the listing of designated persons or entities and the implementation of TFS without delay. Annex 1.2 indicates that this process must not last longer than 24 hours and Indonesia provided supporting information to demonstrate that this is the case. The deficiency identified in the MER has been addressed.

- e) **Criterion 6.5 (Met)** The 2023 MER identified key deficiencies related to the scope of freezing obligations, which did not apply to all natural and legal persons and did not specify the obligation to freeze without prior notice (c.6.5(a)) and the lack of a general requirement that prohibits natural and legal persons from making available funds or other assets to designated persons. While FIs are prohibited from providing, extending, or lending funds to or for the benefits of persons or entities listed in the DTTOT and are prohibited from maintaining business relationships or processing transactions with designated persons, these requirements do not apply to DNFBPs or other actors (c.6.5(c)). Furthermore, the MER found that there is no explicit legal provision that requires the INP to immediately submit the list of designations and any change to supervisory and other relevant agencies, including PPATK (c.6.5(d)).

(a) The Joint Regulation on DTTOT, amended in 2025, includes a general obligation for all natural and legal persons to freeze funds without delay and without prior notice (Art. 4.3). The definition of funds referred to in the TF Law (Art. 1(7)) and 2015 Joint Regulation (Art. 1(4)) cover funds and other assets in line the FATF Standards. The deficiency identified in the MER has been addressed.

(b) The obligation to freeze extends to:

- i. all funds or other assets that are owned or controlled by the designated person or entity and not just those that can be tied to a particular terrorist act, plot or threat (DTTOT Joint Regulation, Art. 3.5(a));
- ii. all funds or other assets that are wholly or partially owned or effectively controlled, whether directly or indirectly, by designated persons or entities on the DTTOT List (DTTOT Joint Regulation, Art. 3.5(b));
- iii. funds or other assets derived or generated from funds owned or controlled, whether directly or indirectly, by designated persons on the DTTOT List (DTTOT Joint Regulation, Art. 3.5(c)); and
- iv. funds or other assets that are owned or controlled by persons or entities acting for and on behalf of, or at the direction of, designated persons or entities DTTOT List (DTTOT Joint Regulation, Art. 3.5(d)).

(c) Under the amended DTTOT Joint Regulation, any Indonesian citizen or foreign national (natural persons) and any Indonesian entity or foreign entity (legal persons) present within the territory of Indonesia are required to prevent and are prohibited from providing funds, economic or financial resources, or other financial services, whether directly or indirectly, for the benefit of: (i) Designated persons or

entities on the DTTOT List; (ii) entities owned or controlled, whether directly or indirectly, by designated person or entities, and; (iii) natural and legal persons acting for and on behalf of, or at the direction of, designated persons or entities (Art. 4A(2)). The deficiency identified in the MER has been addressed.

(d) INP is required to immediately submit the DTTOT list, as well as any amendments to the list, to competent authorities and supervisory agencies (DTTOT Joint Regulation, art. 4.1). Direct communication takes place via the SIGAP platform for FIs and through the goAML platform for DNFBPs. The publication and dissemination of the DTTOT List take place via the PPATK website, which is publicly available.¹ As set out in 2023, PPATK provides guidance to reporting entities on their freezing obligations in relation to persons on the DTTOT list. The deficiency identified in the MER has been addressed.

(e) As set out in 2023, reporting entities must report whether they have frozen any assets belonging to designated persons (TF Law, art.28(4)). PPATK stipulates that postal companies providing money transfer services, pawnshops, and DNFBPs must notify PPATK within 1 business day that they have received information on the updated DTTOT list and whether they have frozen any funds or other assets owned or controlled (directly or indirectly) by designated persons (PPATK Circular 5, 2016).

(f) As set out in 2023, any agency or “any person providing service in finance sector or other service related to finance” shall be held harmless from any civil or criminal suit for the good faith implementation of freezing obligations (TF Law, art.24). In addition, third parties that enter into agreements with designated persons prior to designation can petition the INP for access to funds owed to them (TF Law, art.34(1)(j)). This protects the bona fide rights of third parties. To further strengthen implementation of these requirements, in 2025, PPATK issued Decree no. 683A concerning the handling of requests for exemption from freezing without delay for the fulfilment of basic necessities and extraordinary expenses.

- f) **Criterion 6.6 (Met)** The 2023 MER identified deficiencies regarding links purported to direct readers to official UN sanctions lists are again only a link to the UN Security Council homepage. Additionally, links provided as applications for de-listing are in fact a link to a UN memo which describes de-listing procedures (c.6.6(d) and (e)). PPATK Circular 5 (2016) describes how certain businesses should address false positives, although a person would have to use the process outlined in the TF Law to request unfreezing (c.6.6(f)). Regarding the mechanism for communicating de-listings and unfreezing to FIs and DNFBPs, the MER found that these procedures do not provide any information on timing, so it cannot be determined whether such communication occurs immediately (c.6.6(g)).

(a) As set out in 2023, for sanctions frameworks under UNSCR 1267 and 1988, persons are directed by the PPATK website to the relevant UN committee for information on the delisting procedure. Although there is no specific guidance regarding procedures to submit de-listing requests to the relevant UN sanctions, Annex 1.6/1.7 of Decree 122 refers to standard operational procedure for de-listing initiated by INP or by application of the law (e.g., if an entity has been dissolved).

¹ The link can be accessed here: https://www.ppatk.go.id/dalam_negeri/read/1400/daftar-terduga-teroris-dan-organisasi-teroris-dttot.html

(b) As set out in 2023, for designations under the UNSCR 1373 framework, members of the DTTOT Task Force can deliver de-listing recommendations to the INP (Decree 122). The INP can request a de-listing order from the District Court of Central Jakarta (DCCJ) (TF Law, arts.30-33 and TF Joint Regulation (2015), Art.7(6)). De-listing may be based on the person successfully challenging the designation in court, the failure to renew the designation, or if it is otherwise null and void. A person may object to freezing of assets by providing to INP the basis for objection and evidence demonstrating the legal basis of the funds (TF Law, Art.29).

(c) As set out in 2023, a designated person can challenge the basis for the designation before the DCCJ (TF law, art. 32). A different judge than the one who ratified the designation must adjudicate this challenge (TF Law, art.32(4)). The applicant or INP may appeal an unfavourable adjudication to the High District Court of Jakarta; that court's ultimate decision is final (TF Law, art.32(6-7)).

(d) The PPATK website that contains the publicly available DTTOT List also includes information on the delisting process.² This includes links to the website of relevant UN materials and contact points, including the webpage of the UN Office of the Ombudsperson, which accepts de-listing petitions, the UNSC Guidelines for listing and delisting, and the UNSC Focal Point for delisting. The PPATK site also includes an infographic on the process for delisting of designated persons or entities. The deficiencies identified in the MER have therefore been addressed.

(e) Any designated person or entity can apply to object to their listing to the Central Jakarta District Court to obtain decree of identity removal on the DTTOT List (DTTOT Joint Regulation, Art. 4C(1)). In the event of the delisting of designated persons or entities from the DTTOT List, the amended DTTOT Joint Regulation provides for the unfreezing of funds (Art. 4D(3)). Regarding false positives, Article 4D stipulates that the Chief of the INP may delist the designated person or entity from the DTTOT List should their identity not fulfil the indicator on the listing of the identity of the designated person or entity. Furthermore, Indonesia has issued guidance on the implementation of freezing without delay on TF-related TFS, including the handling of false positives (PPATK Circular Letter No.5 of 2016; Financial Services Authority Circular Letter Number 38/SEOJK.01/2017 as amended by Circular Letter Number 29/SEOJK.01/2019; Bank Indonesia Decree no.20).

(f) Supervisory agencies must immediately disseminate the delisting of designated persons and entities and request FIs and DNFBPs to unfreeze without delay the funds or other assets of said persons or entities (DTTOT Joint Regulation, Art. 4D(3)). The deficiency in the MER has been addressed.

- g) **Criterion 6.7 (Met)** The 2023 MER identified a key deficiency regarding the exclusion of some expenses from asset-freezing requirements. While the TF Law excludes some expenses (Art.34(1)), it does not explicitly exempt extraordinary expenses or designate a mechanism for determining whether to allow exemptions for expenses other than those listed. The amended DTTOT Joint Regulation includes explicit provisions concerning expenses that may be exempted from asset-freezing measures (Art. 6A(1)) and provides for the exemption on freezing for extraordinary expenses (Art. 6A(2)). Requests for basic expenses and extraordinary expenses are

² The link can be accessed here: https://www.ppatk.go.id/dalam_negeri/read/1400/daftar-terduga-teroris-dan-organisasi-teroris-dttot.html

processed through a deliberation mechanism under the DTTOT Task Force. The procedures for submitting requests for both basic expenses and extraordinary expenses are set out in Annex I.11 and Annex I.12 of the 2025 Joint Regulation. The deficiency identified in the MER has been addressed.

Weighting and Conclusion: Indonesia has addressed the identified deficiencies in its 2023 MER relating to criteria 6.1(e), 6.2(c), 6.4, 6.5(a),(c),(d), 6.6(d)-(g), and 6.7. Recommendation 6 is re-rated as Compliant.

Conclusion

Overall, Indonesia has made progress in addressing the technical compliance deficiencies identified in its MER with respect to R.6 resulting in an upgrade from Partially Compliant to Compliant.

Table 1.1. Technical Compliance ratings, June 2026

R.1	R.2	R.3	R.4	R.5
LC	LC	C	LC	LC
R.6	R.7	R.8	R.9	R.10
C	LC	PC	LC	LC
R.11	R.12	R.13	R.14	R.15
LC	LC	LC	C	LC
R.16	R.17	R.18	R.19	R.20
LC	LC	C	LC	C
R.21	R.22	R.23	R.24	R.25
LC	LC	LC	LC	PC
R.26	R.27	R.28	R.29	R.30
LC	LC	PC	C	C
R.31	R.32	R.33	R.34	R.35
LC	LC	LC	LC	LC
R.36	R.37	R.38	R.39	R.40
LC	LC	LC	LC	LC

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

Indonesia has three Recommendations rated PC. Indonesia will not report back to Plenary under its 4th round follow up in line with paragraph 88 of the FATF 4th Round Procedures.

Annex to the FUR

Summary of Technical Compliance – Deficiencies underlying the ratings

Recommendations	Rating	Factor(s) underlying the rating
1. Assessing risks & applying a risk-based approach	LC	Absence of formal risk assessment for SDD measures. MCS regulations for cooperatives do not cover requirements of c.1.10.
2. National cooperation and coordination	LC	NCC functions do not explicitly include CFT, though in practice it is covered.
3. Money laundering offences	C	The Recommendation is fully met.
4. Confiscation and provisional measures	LC	Indonesia can only confiscate corresponding value in relation to corruption cases, where there is a State loss or in relation to tax debts including where such debts may be a result of a criminal offence. There is no explicit legal provision that these measures should be carried out ex-parte or without prior notice. Prejudice action is criminalised under the criminal code with a maximum sentence of 9 months imprisonment or a maximum fine of IDR 300 (EUR 0.02). Aside from the fact that, the sanctions do not appear proportionate and dissuasive, the provision sets an exception whenever these prejudiced actions are undertaken by the defendant's blood relatives, spouse or ex-spouse. Taxpayers are prohibited from transferring the right over confiscated property or transferring, leasing, lending, or damaging confiscated property. However, it is not clear whether this would cover all individuals entrusted with managing confiscated property.
5. Terrorist financing offence	LC	As the terms "terrorist" and "terrorist organisation" are not defined in the TF Law, it is not clear that it covers the acts described in the Art(1)(b) and the acts in the Annex of the TF Convention.
6. Targeted financial sanctions related to terrorism & TF	C	The Recommendation is fully met.
7. Targeted financial sanctions related to proliferation	LC	It is not entirely clear that failure to comply with counterproliferation financing obligations by DNFBPs is subject to a sufficient range of civil, administrative or criminal sanctions.
8. Non-profit organisations	PC	The methodology to identify the subset of CSOs that fall within the FATF definition that fall within the FATF definition and at-risk NPOs is ambiguous. Limited evidence exists on educating the donor community about the potential vulnerabilities of NPOs to TF abuse; working with the NPO community to put measures, practices, and policies in place to protect them; putting risk-based/targeted measures and supervision in place.
9. Financial institution secrecy laws	LC	No express provisions covering PPAK for TF issues.
10. Customer due diligence	LC	No specific requirements for cooperatives, non-bank payment and money changing service providers, and postal providers regarding specific CDD measures required for legal persons and legal arrangements. Lack of consistent definition of beneficial owner, and therefore of requirements to identify beneficial owners and verify identities, including for customers that are legal persons.
11. Record keeping	LC	No requirements for cooperatives to maintain other CDD and account files, or the results of analysis undertaken.
12. Politically exposed	LC	BI supervised entities and service and postal providers are not required to obtain

Recommendations	Rating	Factor(s) underlying the rating
persons		senior management approval before establishing business relationship with foreign PEPs. For savings and loan cooperatives, requirements are restricted to foreign PEPs and do not cover domestic PEPs.
13. Correspondent banking	LC	Relationships similar to cross-border correspondent banking are not covered. No explicit requirement to gather information on whether the respondent institution has been subject to a ML/TF investigation or regulatory action. Banks are not explicitly required to obtain approval from the senior management before establishing new correspondent relationship
14. Money or value transfer services	C	The Recommendation is fully met.
15. New technologies	LC	Financial penalties' level for VASPs is not indicated in law/regulation for broader compliance failures. Sanction applicable to directors and senior management of VASPs is limited to only written warning. No legal basis for CoFTRA for exchanging information.
16. Wire transfers	LC	Not all FIs are covered and requirement for payment service provider to verify the information pertaining to its customer where there is suspicion of ML/TF is unclear. Gaps regarding requirements to allow ordering financial institutions to execute wire transfer. Not clear if MVTS providers are required to comply with the requirements when they operate through their agents.
17. Reliance on third parties	LC	Lack of specific obligation for non-bank payment and money changing service providers to ensure that the third party that is part of the same financial group applies record-keeping requirements and has an AML/CFT programme.
18. Internal controls and foreign branches and subsidiaries	C	The Recommendation is fully met.
19. Higher-risk countries	LC	Gaps regarding the requirements relating to the application of EDD and countermeasures, which do not cover all financial institutions.
20. Reporting of suspicious transaction	C	The Recommendation is fully met.
21. Tipping-off and confidentiality	LC	There is no exception to the tipping-off provision for situations of exchange of information between entities of the same financial group.
22. DNFBPs: Customer due diligence	LC	Regulations for notaries do not include records of analysis results for low and medium risk customers. For accountants, requirements do not cover record keeping in relation to the completion of transaction, analysis of customer risk rating and transaction record reconstruction. Management approval of a relationship with a PEP is not required.
23. DNFBPs: Other measures	LC	Notaries and accountants' legislative framework do not fully address internal controls. DNFBPs are not advised of AML/CFT system concerns relating to other countries.
24. Transparency and beneficial ownership of legal persons	LC	No requirements to maintain all information pertaining to the company as well as a list of their shareholders at the head office of the company were identified in relation to associations. For associations, there is no requirement related maximum period to submit the updated information to the Ministry. There is no specific obligation that the appointed company official or employee to implement the principle of knowing the beneficial owner of a corporation and provide information on the corporation and beneficial owner of the corporation upon the request of the authorised institutions and law enforcement agencies, should be resident in the country. There are no specific criminal sanctions for the breach of obligation of LLCs to provide accurate/updated BO information. There are doubts on the timeliness on the information exchange when Indonesian authorities have to use their domestic investigative powers to satisfy a request from a foreign competent authority. Information on mechanisms of monitoring the quality of assistance received by

Recommendations	Rating	Factor(s) underlying the rating
		other agencies is not available.
25. Transparency and beneficial ownership of legal arrangements	PC	<p>Indonesian entities providing trustee services to foreign trusts that are not covered institutions under the AML Law or to foreign trustees operating in Indonesia, there are no requirements to collect, maintain accurate and up-to-date CDD information on the relevant parties of the trust.</p> <p>There are no requirements in the AML Law or any other statute or regulation in Indonesian law requiring trustees to disclose their status to FIs and DNFBPs when forming business relationships or carrying out occasional transactions.</p> <p>Minor shortcomings relating to international cooperation on beneficial ownership information on trusts and other legal arrangements exist in Indonesia's compliance to Rec.40.</p> <p>Indonesian entities providing trustee services to foreign trusts that are not covered institutions under the AML Law or to foreign trustees operating in Indonesia, there are no sanctions available for failure to perform their obligations.</p> <p>There are no sanctions available for breach of obligations under c.25.1(c) regarding trusts for foreign trustees operating in Indonesia or for other Indonesian entities providing trustee services to foreign trusts that are not covered entities.</p>
26. Regulation and supervision of financial institutions	LC	<p>Gaps exist relating to coverage of senior management and associates of criminals for BI and OJK.</p> <p>PPATK and MCSME's procedures do not address criteria 26.5 and 26.6.</p>
27. Powers of supervisors	LC	<p>The PPATK and the MCSME regulations do not contain explicit provisions to compel production of information relevant to monitoring compliance with the AML/CFT requirements.</p> <p>Supervisors are authorised to impose sanctions; some deficiencies are identified at R.35.</p>
28. Regulation and supervision of DNFBPs	PC	<p>The frequency of supervision in relation to the risk sensitive nature could not be demonstrated.</p> <p>The barriers to entry by criminal elements are evident in the professions, benefiting from their industry standards, and to a lesser extent the other DNFBPs. DNFBPs that register as an LCC, although not mandatory to do so, are subject to criminal checks.</p>
29. Financial intelligence units	C	The Recommendation is fully met.
30. Responsibilities of law enforcement and investigative authorities	C	The Recommendation is fully met.
31. Powers of law enforcement and investigative authorities	LC	<p>There is no explicit legislation on undercover operations and the ability to access computer systems for KPK and DG Customs.</p> <p>It is not clear whether mechanisms to identify assets can operate without prior notification to the owner.</p>
32. Cash couriers	LC	<p>The maximum threshold amount of IDR 300 million (EUR 20 000) fine for failure to make a declaration or for under-declaration does not provide the possibility for proportionate and dissuasive sanctions to take into account aggravating factors including large amounts of cash or repeat offenders.</p> <p>There is no specific criminal penalty (as in article 3 of the AML law) for carrying into Indonesia assets known or reasonably suspected by the perpetrator as originating from the proceeds of a criminal act that constitutes a predicate offence for the ML offence in Indonesia as defined in article 2 of the AML Law.</p>
33. Statistics	LC	<p>Statistics do not clearly distinguish property that has been seized for evidence and property seized for the purpose of confiscation. The statistics are also not maintained in a consolidated manner.</p> <p>Statistics on ML/TF investigations, prosecutions and convictions as well as property frozen, seized and confiscated are not maintained in a consolidated manner.</p> <p>Not all competent authorities maintain statistics on other international requests for cooperation made and received.</p>
34. Guidance and feedback	LC	<p>There is scope to have increased guidance on TF.</p> <p>No legal provision or policy/procedure on the provision of feedback by competent authorities, supervisors.</p>

Recommendations	Rating	Factor(s) underlying the rating
35. Sanctions	LC	<p>Maximum financial sanctions are not dissuasive for larger institutions.</p> <p>For DNFBPs, sanctions are not specified for non-compliance with obligations relating to providing, extending, or lending funds to or for the benefits of persons or corporations which identities are listed in the DTTOT.</p> <p>Sanctions do not always explicitly apply to all FIs, DNFBPs and NPOs' directors and senior managers.</p>
36. International instruments	LC	<p>There are some shortcomings in Recommendations 4 and 5 that impact the implementation of parts of the convention obligations.</p>
37. Mutual legal assistance	LC	<p>It is not clear whether requirements exist for other competent authorities to maintain confidentiality when dealing with MLA requests.</p> <p>The identified gaps in special investigative powers for some domestic agencies (see R.31) may have some impact here for execution of MLA requests.</p>
38. Mutual legal assistance: freezing and confiscation	LC	<p>Indonesia has provisions to allow foreign countries to request confiscation of seized assets, based on a foreign court ruling requires a certificate of ownership from the foreign government. However, there is no public guidance for foreign governments as to what would be required to satisfy this requirement.</p> <p>There is no legal power to confiscate property of corresponding value outside of corruption cases.</p> <p>There are some shortcomings regarding there not being equivalent legal provisions in relation to related predicate offences and TF in circumstances.</p> <p>There is no overarching law or guidance that requires Indonesia to be able to share confiscated property with other countries.</p>
39. Extradition	LC	<p>It is not entirely clear through case law or guidelines, whether when extradition cannot be executed on account of the request involving an Indonesian national, that the he or she will be prosecuted domestically.</p>
40. Other forms of international cooperation	LC	<p>Not all LEAs and supervisory authorities: a) use appropriate and secure means or mechanisms for the transmission and execution of foreign requests; b) have clear processes for prioritisation and the timely execution of requests and; c) safeguard the information received from foreign parties.</p> <p>For some competent authorities, unclear if unreasonable or undue restrictive conditions on information exchange or assistance apply.</p> <p>No information available on other competent authorities to demonstrate maintain the confidentiality of information received.</p> <p>The ability of all LEAs to: a) exchange information on the identification and tracing the proceeds and instrumentalities of crime, b) form Joint Investigative Teams and to establish bilateral or multilateral arrangements to enable such joint investigations.</p> <p>No information was provided to demonstrate whether all competent authorities have the ability to exchange information indirectly with non-counterparts.</p>

FATF



www.fatf-gafi.org

June 2026

Anti-money laundering and counter-terrorist financing measures in Indonesia

3rd Follow-up Report & Technical Compliance Re-Rating

As a result of Indonesia's progress in strengthening their measures to fight money laundering and terrorist financing since the assessment of the country's framework, the FATF has re-rated the country on Recommendation 6.

Follow-up report

