

The Role of Notaries in Preventing Money Laundering in Indonesia: an Analysis of Compliance and Implementation of Law No. 8 of 2010

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Abstract

This research explores the role of notaries in Indonesia in preventing money laundering, focusing on compliance and the implementation of Law No. 8 of 2010. Utilizing a qualitative methodology, this study examines the obligations of notaries as reporting parties, the application of the Know Your Customer (KYC) principle, and the challenges faced in practice. Data were collected through document analysis, interviews with notaries, and review of official reports. The findings reveal that while regulatory frameworks mandate notaries to identify, verify, and report suspicious transactions, practical challenges persist, including limited training, technological barriers, and ethical dilemmas regarding client confidentiality. The study also highlights the effectiveness of reporting mechanisms such as the Go-AML and GRIPS applications, as well as the need for ongoing professional development and legal protection for notaries. The research concludes that strengthening institutional support and clarifying regulatory ambiguities are critical to enhancing the notary's preventive role in money laundering activities in Indonesia.

Keywords: notaries, money, laundry

INTRODUCTION

Money laundering remains a significant threat to the integrity of Indonesia's financial system and the broader socio-economic order (Nnam et al., 2025). As criminal actors seek to legitimize proceeds from illicit activities, they often exploit legal and financial professionals, including notaries, to facilitate the concealment and integration of illegal assets into the formal economy. Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering (hereafter UU TPPU) was enacted to provide a robust legal framework for combating such crimes, aligning Indonesia with international standards and the recommendations of the Financial Action Task Force (FATF) (Hanun & Arwanto, 2024).

Notaries, as public officials authorized to draft authentic deeds and oversee various civil transactions, occupy a strategic position in the prevention of money laundering (Wahid et al., 2024). Their involvement in property transactions, company formations, and other high-value legal acts renders them vulnerable to being used—wittingly or unwittingly—as conduits for laundering illicit funds. Recognizing this risk, UU TPPU and its implementing regulations explicitly designate notaries as "Reporting Parties," obligating them to apply the principle of recognizing service users (KYC) and to report suspicious financial transactions to the Financial Transaction Reports and Analysis Center (PPATK) (Pramadanty et al., 2024).

Despite the clear legal mandate, the effectiveness of notaries in fulfilling their anti-money laundering (AML) obligations is subject to various challenges (Tejakusuma et al., 2024). These include ambiguities in the interpretation of "suspicious transactions," limited awareness and training among notaries, technological

barriers in the reporting process, and ethical dilemmas arising from the duty of client confidentiality (Prawati et al., 2024). Moreover, the rapid evolution of money laundering techniques necessitates continuous adaptation of both regulatory frameworks and professional practices (Animasaun et al., 2024).

METHOD

This study employs a qualitative research methodology, combining normative legal analysis with empirical inquiry. The approach is designed to capture both the doctrinal underpinnings of AML regulations and the lived experiences of notaries in implementing these rules (Noor, 2023).

Data Collection

Primary and secondary legal materials were reviewed, including:

- Law No. 8 of 2010 and its implementing regulations (PP No. 43/2015, PP No. 61/2021).
- Ministerial regulations, PPATK guidelines, and relevant circulars.
- Academic articles, case studies, and official PPATK reports.

Interviews

Semi-structured interviews were conducted with:

- Practicing notaries from various regions in Indonesia.
- Representatives from the Indonesian Notary Association (INI).
- Officials from PPATK and the Ministry of Law and Human Rights.

Observational Data

Field observations were made regarding the use of the Go-AML and GRIPS applications, as well as participation in AML training sessions.

Data were analyzed using thematic coding to identify recurring patterns, challenges, and best practices. Legal provisions were interpreted in light of empirical findings to assess compliance and effectiveness.

Validity and Reliability

Triangulation was employed by cross-referencing interview data with documentary evidence and observational findings. Member checking was used to validate interview transcripts with participants.

RESULT AND DISCUSSIONS

RESULTS

Legal Obligations of Notaries

Notaries are explicitly designated as Reporting Parties under Article 3 of Government Regulation No. 43 of 2015, requiring them to:

- Apply the KYC principle for all service users.
- Identify, verify, and monitor transactions related to property sales, company formation, and other high-value activities.
- Report suspicious transactions to PPATK via the Go-AML or GRIPS platforms.

Compliance Levels

Based on interviews and document analysis, compliance among notaries varies:

- High Compliance: Notaries in major urban centers, who regularly attend training and have access to technological resources, demonstrate higher compliance rates.
- Moderate Compliance: Notaries in secondary cities show awareness but face challenges in consistent reporting.

- **Low Compliance:** Notaries in rural areas or those lacking technical support report lower levels of compliance and understanding of AML obligations

Table 1. Compliance Level by Region

Region	High Compliance	Moderate Compliance	Low Compliance
Jakarta	70%	25%	5%
Surabaya	65%	30%	5%
Medan	50%	40%	10%
Rural Areas	20%	40%	40%

Interpretation of Suspicious Transactions

Notaries expressed uncertainty regarding the criteria for suspicious transactions, leading to inconsistent reporting. Some notaries set their own thresholds (e.g., IDR 300 million), while others rely on subjective judgment.

Training and Awareness

Many notaries, especially outside major cities, lack access to regular AML training. This results in knowledge gaps and reluctance to report due to fear of legal repercussions or damaging client relationships.

Technological Barriers

Difficulties in registering and using the Go-AML and GRIPS platforms were frequently cited. Notaries in regions with limited internet access face additional obstacles in timely reporting.

Ethical Dilemmas

The duty of confidentiality, as mandated by the Notary Law (UUJN), sometimes conflicts with the obligation to report suspicious transactions. Notaries are concerned about potential breaches of client trust and the risk of legal liability.

Table 2. Key Challenges Faced by Notaries

Challenge	Percentage of Respondent Reporting
Interpretation Issues	60%
Lack of Training	55%
Technological Barriers	40%
Ethical Dilemmas	35%

DISCUSSION

The Strategic Role of Notaries in AML

Notaries occupy a unique position at the intersection of legal, financial, and regulatory domains (Gunawan et al., 2024). Their involvement in authenticating high-value transactions makes them both gatekeepers and potential targets for exploitation by money launderers. The legal framework recognizes this duality by imposing both preventive and reporting obligations (Satria, 2025).

Compliance: Between Legal Mandate and Practical Reality

The requirement to apply the KYC principle and report suspicious transactions is clear in law but complex in practice (Giawa & Fatmawati, 2024). The effectiveness of these obligations depends on several interrelated factors:

While UU TPPU and its implementing regulations provide a general framework, ambiguities remain regarding the precise criteria for suspicious transactions in the notarial context. Unlike banks, notaries often lack clear transactional benchmarks, leading to subjective and inconsistent interpretations (Nabila et al., 2024).

Regular and targeted training is essential to equip notaries with the knowledge and skills needed for effective AML compliance. The Ministry of Law and Human Rights, in collaboration with PPATK and the Indonesian Notary Association, has initiated technical guidance programs, but coverage remains uneven, particularly in remote areas (Sendrawan et al., 2024).

The adoption of digital reporting platforms such as Go-AML and GRIPS represents a significant advance. However, technological literacy and infrastructure disparities hinder uniform adoption (Arjang et al., 2024). Simplifying user interfaces and providing ongoing technical support are necessary to bridge this gap.

The duty of confidentiality is a core tenet of the notarial profession, enshrined in the Notary Law (UUJN). The exception provided for AML reporting creates a legal and ethical dilemma, as notaries must balance client trust with regulatory compliance. Clearer guidelines and legal protection for good-faith reporting are needed to resolve this tension.

The establishment of the Notary Supervisory Council and inter-agency collaboration (e.g., between PPATK, the Ministry of Law and Human Rights, and INI) has improved oversight. However, more proactive supervision and feedback mechanisms are required to ensure sustained compliance and address emerging challenges.

The involvement of notaries as witnesses in high-profile money laundering cases, illustrates both the risks and the preventive potential of the profession. In this case, notaries were called upon to explain their role in authenticating transactions linked to illicit funds, underscoring the importance of vigilance and thorough due diligence (Indrawati Utama et al., 2024).

Indonesia's approach aligns with FATF recommendations, which call for the inclusion of legal professionals in AML frameworks. Comparative studies suggest that ongoing professional education, standardized reporting criteria, and robust legal protection are key to enhancing the effectiveness of notaries in AML efforts.

CONCLUSION

Notaries play a critical role in Indonesia's anti-money laundering regime, as mandated by Law No. 8 of 2010 and its implementing regulations. While the legal framework provides a solid foundation for preventive action, significant challenges remain in practice, including regulatory ambiguities, limited training, technological barriers, and ethical dilemmas. Addressing these challenges requires a multifaceted approach: clarifying legal standards, expanding professional development, enhancing technological infrastructure, and providing robust legal protection for notaries. Strengthening the institutional and practical capacities of notaries will not only improve compliance but also reinforce the integrity of Indonesia's financial and legal systems in the fight against money laundering.

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