

# CHAPTER I

## INTRODUCTION

### A. Context of Study

Money laundering is a process or action that aims to hide or disguise the origin of property obtained from the proceeds of a criminal offense which is then converted into property that seems to come from legitimate activities. In accordance with Article 2 of Law Number 15 of 2002 concerning money laundering (as amended by Law Number 25 of 2003), criminal acts that trigger money laundering include corruption, bribery, smuggling of goods/women/children/illegal weapons, kidnapping, terrorism, laundering, embezzlement, and fraud. According to Law No. 8/2010, money laundering is any act that fulfills the elements of a criminal offense in accordance with the provisions of this Law.<sup>1</sup>

Money laundering essentially involves assets (income or wealth) that are disguised so that they can be used without detection that the assets originated from illegal activities. Through Money Laundering income or wealth derived from unlawful activities is converted into financial assets that appear to come from legitimate or legal sources.<sup>2</sup>

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<sup>1</sup> Adrisan Sutedi, 2007, *Hukum Perbankan; Suatu Tinjauan Pencucian Uang, Merger, Likuidasi, dan Kepailitan*, Jakarta, Sinar Grafika, hlm. 19

<sup>2</sup> Fuady, M. (2001). *Hukum Perbankan Modern Kedua Tingkat Advance*, Bandung : PT. Citra Aditya Bakti.

From several definitions of money laundering, it can be concluded that money laundering is the activities (in the form of a process) carried out by a person or criminal organization against illicit money, namely money originating from crime, with the intention of hiding the origin of the money from the government or the authority authorized to take action against crime by entering the money and then removing it from the financial system so that the finances have turned into legitimate money.<sup>3</sup>

In the history of business law, the emergence of Money Laundering began in the United States in 1830. At that time many people bought companies with the proceeds of crime (hot money) such as gambling proceeds, narcotics sales, illegal liquor and prostitution proceeds.<sup>4</sup> However, the term Money Laundering only appeared when Al Capone, one of the big mafia figures in the United States, around the 1930s, committed acts to hide the proceeds of their crimes. To trick the government, the mafia established a laundry company, to mix the proceeds of their crimes so that they were not suspected of being involved in crime. This was the beginning of the inspiration that eventually gave birth to the term Money Laundering.<sup>5</sup>

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<sup>3</sup> Pohan, S. (2019). *Tinjauan Normatif Kewenangan Penuntutan oleh KPK Atas Tindak Pidana Pencucian Uang*. *Doktrina: Journal of Law*, 2(2), 117-134.  
doi:<https://doi.org/10.31289/doktrina.v2i2.2615>

<sup>4</sup> Munir Fuady, 2001, *Hukum Perbankan Indonesia*, Bandung, PT Citra Aditya Bakti, hlm. 154

<sup>5</sup> Yunus Husein, 2001, "*Beberapa Petunjuk Bagi Bank dalam mewaspadaai kejahatan Pencucian Uang*", makalah institute Bankir Indonesia.

In practice, money laundering activities almost always involve banks because of the globalization of banking so that through the payment system, especially electronic funds transfer, the proceeds of crime, which are generally in large amounts, will flow or even move beyond national borders by utilizing the bank secrecy factor that is usually upheld by banks.

The fight against money laundering activities by banks is basically a deviation from the tradition of upholding bank secrecy. There is a universally accepted principle that prohibits bankers from providing information about their customers to third parties, including to the competent authorities, unless permitted by applicable law.

In this regard, to be able to anticipate money laundering crimes that occur in Indonesia, in addition to the creation of legal products in the form of legislation governing the crime of money laundering with Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes Amendments to Law Number 15 of 2002 and Law Number 25 of 2003 related to the decision of the Financial Action Task Force (FATF) which considers Law Number 15 of 2002 and Law Number 25 of 2003 concerning Money Laundering Crimes, not accommodating/cooperative to eradicate the crime of money laundering as an

international crime, so it can be said that Law Number 15 of 2002 and Law Number 25 of 2003 are not in accordance with international standards.<sup>6</sup>

We all know that the impact of money laundering is tremendous, even threatening the country's economic stability. This is because money laundering greatly influences the development of various serious crimes, such as drug trafficking, corruption, and illegal logging, and so on. In the economic field, money laundering can undermine the legitimate private sector because, usually, it is done by using companies (front companies) to mix illicit money with legitimate money, so that legitimate businesses lose competition with these companies. For the government itself, the next impact is the increase in crimes in the financial sector, which incurs high social costs, especially for the cost of law enforcement efforts.

Therefore, banking institutions are one of the financial institutions that play an essential role in a country's economy. In carrying out its duties, banking institutions act as intermediaries between parties who have excess funds (surplus of funds) and parties who lack/need funds (lack of funds). In carrying out its business activities, the bank will certainly face various kinds of business risks. To reduce business risk, banks are required to apply the precautionary principle. This is in line with Article 2 of Law No. 10 of 1998, an amendment to Law No. 7 of

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<sup>6</sup> Sutan Remy Sjahdeini. *Seluk Beluk Tindak Pidana Pencucian Uang Dan Pembiayaan Terorisme / Sutan Remy Sjahdeini* .2007

1992 concerning banking, which states that “Indonesian banking in conducting its business is based on economic democracy using the principle of prudence.” In connection with the application of the prudential principle to banks, also known as prudential banking, in order to regulate the traffic in banking activities, one of the efforts to apply this principle is the application of the Know Your Customer (KYC) Principles.

Know Your Customer (KYC) Principles are principles applied by banks to determine customer identity, monitor customer transaction activities, and report suspicious activities. Moreover, It is the bank's obligation to implement them. The application of the prudential principle in the banking world is intended to maintain the trust of the depositing public and create healthy banking. One way to implement the prudential principle is by implementing the Know Your Customer Principles, known as the “know your customer principles.” The implementation of the Know Your Customer Principles is considered important as a way to protect the health of banks.

In Indonesia, the Know Your Customer Principles were first regulated in Bank Indonesia Regulation No.3/10/PBI/2001 concerning the implementation of Know Your Customer Principles as last amended by Bank Indonesia Regulation No. 5/21/PBI/2003, which means the Know Your Customer Principle in this Bank Indonesia Regulation is the principle applied by banks to determine the identity of customers, monitor customer transaction activities including suspicious

transaction reporting. In 2009, Bank Indonesia Regulation No.5/21/PBI/2003 on the Implementation of Know Your Customer Principles, was enhanced by Bank Indonesia Regulation No.11/28/PBI/2009 on the Implementation of Anti-Money Laundering Program and Prevention of terrorism financing for Commercial Banks, which was updated by Bank Indonesia Regulation No. 14/27/PBI/2012. This Bank Indonesia Regulation adopts the recommendations issued by the Financial Action Task Force (FATF) related to the prevention of money laundering using banking facilities and products. The regulation on Know Your Customer Principles was then updated with the Regulation of the Financial Services Authority of the Republic of Indonesia Number 15 of 2023 concerning the Implementation of Customer Recognition Principles Administration Services.

Regarding the alleged money laundering from the Citibank breach case, it is essential to consider when premium customers deposited their funds into Citibank, particularly in the context of private banking. In that context, this program should provide convenience and comfort in conducting transactions for customers without violating the law, especially related to the requirements that have been determined in terms of the origin of the money. The most important question is whether the application of Know Your Customer Rules is applied to customers, which includes identifying the identity of the customer and the activities carried out in relation to the funds, lest the origin of the funds is also kept secret. In this case, related to the obligation to report suspicious transactions

regardless of the amount that must be reported by the bank to PPATK or reports on cash transactions of Rp.500 million and above. In this case, the suspect has been a public relations manager for 3 years whose customers have transactions in the amount of Rp.500 million and above, so PPATK should have had a report on the customer data since three years ago and analyzed it, so that now this case has exploded PPATK should have been more progressive because it has had data since three years. Furthermore, allegations of money laundering practices can also possibly occur after the occurrence of banking crimes committed by the suspect. In this case, it is necessary to trace the suspect's account, starting from when it enters illegally into his account to where the funds flow or are used for interests outside the interests of his customers.<sup>7</sup>

In order to prevent and eradicate criminal acts of money laundering including various criminal acts that produce unlawful assets, based on the law, the Financial Transaction Reports and Analysis Center has been established whose main task is to assist law enforcement in preventing and eradicating criminal acts of money laundering and other serious crimes, by providing intelligence information resulting from analysis of reports submitted to PPATK. To carry out these main tasks, PPATK is obliged to, among others, create guidelines for

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<sup>7</sup> Yenti Garnasih, 2017, *Penegakkan Hukum Anti Pencucian Uang Dan Permasalahannya Di Indonesia*, Depok, PT RajaGrafindo Persada, hlm. 188.

financial service providers (PJK) in detecting the behavior of financial service users who conduct suspicious financial transactions.<sup>8</sup>

PPATK was established to implement policies to prevent and eradicate money laundering while building an anti-money laundering regime in Indonesia. This is certainly very helpful in efforts to maintain financial system stability and reduce the occurrence of predicate crimes. Money laundering has a negative impact on a country's economy because money laundering is carried out on the proceeds of crimes such as narcotics trafficking, corruption, arms smuggling, gambling, and tax evasion.<sup>9</sup>

The high risk of banks being used as a means of money laundering has led banking authorities to require banks to play an active role in preventing and combating money laundering. Banks have been at the forefront of the anti-money laundering regime, even before money laundering activities were designated by the government as a crime. Banks, together with their employees, are at the forefront of efforts to combat concrete steps to identify, minimize, and manage any risks derived from illicit money that threaten individual banks and the banking industry.<sup>10</sup> Bank Mandiri was chosen as a research site because it is a State-Owned

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<sup>8</sup> Lampiran Keputusan Pusat Pelaporan dan Analisis Transaksi Keuangan Nomor 2/1/KEP.PPATK/2003, ([Http://www.bapepam.go.id/old/ragam/pedoman-pencucian-uang.pdf](http://www.bapepam.go.id/old/ragam/pedoman-pencucian-uang.pdf)), diakses tanggal 5 Oktober 2024

<sup>9</sup> Peran PPATK Dalam Tindak Pidana Pencucian Uang, ([Http://www.lawskripsi.com/index.php?option=comcontent&view=article&id=187&itemid=187](http://www.lawskripsi.com/index.php?option=comcontent&view=article&id=187&itemid=187)), diakses tanggal 5 Oktober 2024

<sup>10</sup> Zulkarnain Sitompul, "Bank (Bukan) Tempat Pencucian Uang" dikutip dari, [Http://Zulsitompul.wordpress.com/](http://Zulsitompul.wordpress.com/) diakses tanggal 5 Oktober 2024

Enterprise (BUMN) and one of the biggest banks in Indonesia, so it is expected that it will provide its supervisory function inherently, in order not to tarnish the name of Bank Mandiri and the banking system in Indonesia.

Therefore, it is appropriate that the government and all levels of society pay great attention to the problem of handling the crime of money laundering. One of the concrete forms of Indonesia's concern for money laundering is the enactment of Law Number 8 Year 2010 on the Crime of Money Laundering, with this Law money laundering is officially declared as a criminal offense and therefore must be prevented and eradicated.<sup>11</sup>

With the above background, the author will conduct this research as a thesis and limit the scope of research, namely regarding “The Role of a Bank In The Prevention Of Money Laundering Through The Implementation Of Know Your Customer (KYC) Principle In PT Bank Mandiri (Persero) Tbk”.

## **B. Statement Questions**

The questions of the research are as follows.

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<sup>11</sup> Lampiran Keputusan Pusat Pelapor dan Analisis Transaksi Keuangan Nomor :2/1/KEP.PPATK/2003(<http://www.bapepam.go.id/old/ragam/pedoman-pencucian-uang.pdf>. diakses tanggal 5 Oktober 2024

1. How is the implementation of the Know Your Customer Principles as a form of the Bank's role in anticipating criminal acts of money laundering at PT Bank Mandiri (Persero) Tbk in Yogyakarta?
2. What is the responsibility of PT Bank Mandiri (Persero) Tbk in Yogyakarta in the prevention of money laundering?

### **C. Objective Research**

The objectives of the research are as follows.

1. To find out the implementation and concept of the principle of knowing the customer in banking in Indonesia in the prevention of money laundering at PT Bank Mandiri Tbk in Yogyakarta.
2. To determine and analyze the liability of banks in the event of money laundering due to negligence and non-application of the principle of Know Your Customer (KYC) principles.

### **D. Research Benefit**

The research has several benefits. Those are as follows.

1. Practical benefits provide benefits and uses for parties interested in using, deepening, and analyzing the Know Your Customer Principles, both from the point of view of theory and practice that develops, and the form of Bank liability

for criminal acts resulting from negligence in the application of the principle of knowing the customer.

2. Provide a deeper insight into how banks apply the KYC (Know Your Customer) principles in an effort to prevent money laundering. By understanding the best practices and challenges faced by banks in the implementation of KYC, the results of the study can serve as a reference for other financial institutions to improve customer monitoring and identification procedures. This will contribute to the strengthening of the money laundering prevention system in the Indonesian banking sector.

## **E. Operational Definition**

### **1. Bank**

According to the Big Indonesian Dictionary, banks are businesses in the financial sector that attract and issue money in the community, especially providing credit and services in payment traffic and money circulation.<sup>12</sup>

### **2. Money Laundry**

Money laundering is an attempt to hide or disguise the origin of money/funds, or assets resulting from criminal acts through various financial

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<sup>12</sup> <https://kbbi.web.id/bank> diakses pada tanggal 5 Oktober 2024

transactions so that the money or assets appear as if they come from legal activities.<sup>13</sup>

### 3. Know Your Customer (KYC) Principles

Know Your Customer Principles are principles applied by banks to determine the identity of customers, monitor customer transaction activities including suspicious transaction reporting. Customers, in this sense, are customers who use bank services.<sup>14</sup>

## F. Literature Overview

### 1. Know Your Customer Principle

Banks, in carrying out their business, must apply the principle of prudence, especially in the development of banking businesses that are increasingly advanced, it will always be followed by various forms of crime that are increasingly sophisticated as well. One of the prudential principles that must be applied by banks is the Know Your Customer principles policy. It is a principle applied by the Bank to determine the identity of customers, monitor customer transaction activities including suspicious transaction reporting.<sup>15</sup>

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<sup>13</sup> [https://id.wikipedia.org/wiki/Pencucian\\_uang](https://id.wikipedia.org/wiki/Pencucian_uang) diakses pada tanggal 5 Oktober 2024

<sup>14</sup> PBI No. 5/21/PBI/2003 tentang Perubahan Kedua Atas Peraturan Bank Indonesia No.3/1/PBI/2001 tentang Penerapan Prinsip Mengenal Nasabah (*Know Your Customer Principles*)

<sup>15</sup> Indonesia, Peraturan Penerapan Prinsip Mengenal Nasabah (Know Your Customer Principles), PBI No.3/10/ PBI/2001. LN No.78 Tahun 2001, TLN No.4107.

As one of the entries for the entry of criminal proceeds, banks or other financial services companies must reduce the risk of being used as a means of money laundering by recognizing and knowing the identity of customers, monitoring transactions and maintaining customer profiles, and reporting suspicious financial transactions made by parties using bank services or other financial services companies. The application of the Know Your Customer Principles (KYC Principles) is based on the consideration that KYC is not only important in the context of combating money laundering, but also in the context of implementing prudential banking to protect banks or other financial services companies from various risks in dealing with customers and counterparties.

Particularly for customers, banks or other financial services companies must recognize customers, so that banks or other financial services companies must identify and recognize them to avoid involvement in money laundering crimes. The principle of recognizing customers is a recommendation of FATF, which is the fifteenth principle of the twenty-five Core Principles for Effective Banking Supervision and the Basel Committee. Customer recognition must be carried out starting from the identity of the customer, customer acceptance procedures, continuous customer monitoring, and then reporting to the authorities. Bank Indonesia has been requiring banking institutions to recognize their customers.<sup>16</sup>

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<sup>16</sup> Adrisan Sutedi, 2007, *Hukum Perbankan; Suatu Tinjauan Pencucian Uang, Merger, Likuidasi, dan Kepailitan*, Jakarta, Sinar Grafika, hlm. 73.

Looking back, the Know Your Customer Principle in Indonesia was born around June 18, 2002, when Bank Indonesia issued Bank Indonesia Regulation Number 3/10PBI/2001 concerning the Know Your Customer Principles. The background of Bank Indonesia issuing the Regulation is due to the development of banking business activities, so that banks are faced with various risks, including operational, legal, transaction concentration and reputation risks. The inadequacy of the Know Your Customer Principles, in addition to increasing the risks faced by banks, can also result in significant financial losses for banks, both in terms of assets and liabilities.

The main purpose of the PBI is to prevent banking institutions in Indonesia from becoming a place for money laundering. It has long been said that banking institutions in Indonesia are a convenient place to launder money. This is due to the strict provisions of bank secrecy. The Bank Indonesia Regulation (PBI) was actually to fill the legal vacuum, because at that time there was no money laundering law. The PBI was also a recommendation of *The Bassel Committee on Banking Supervision in its Core Principles for Effective Banking and a recommendation of the Financial Action Task Force on Money Laundering*.<sup>17</sup>

According to the PBI, the Know Your Customer Principles are the principles applied by banks to recognize the identity of customers, monitor

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<sup>17</sup> Gema Swadarma, "*Mari Mengenal Nasabah*", Edisi No. 028/III, September 2001, hlm. 10

customer transaction activities, including suspicious transaction reporting. What is meant by customers here are parties that use bank services and include individuals, companies (including foundations and other similar bodies), government agencies, international institutions, and representatives of foreign countries and banks.

## 2. Money Laundering Crime

Money laundering is a process or action that aims to hide or disguise the origin of money or property obtained from the proceeds of a criminal offense which is then converted into property as if it came from legitimate activities. In accordance with Article 2 of Law Number 15 of 2002 concerning the Crime of Money Laundering (as amended by Law Number 25 of 2003), criminal acts that trigger money laundering include corruption, bribery, smuggling of goods/labor/immigrants, banking, narcotics, psychotropic drugs, slave/woman/child/illegal weapons trade, kidnapping, terrorism, theft, and fraud.

Money laundering activities have a serious impact on the stability of the financial system and the economy as a whole. Money laundering is a multidimensional and transnational crime that often involves large sums of money.<sup>18</sup>

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<sup>18</sup> P.A.F. Lamintang, *Dasar-Dasar Hukum Pidana*, CitraAditya Bakti, Bandung, 2013, hlm. 181

The definition of money laundering is also contained in The United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 (UN convention), passed on December 19, 1988 in Vienna, which was then ratified in Indonesia with Law Number 7 of 1997 on December 31, 1997. In full, the definition of money laundering:

*“The conversion or transfer of property, knowing that such property is derived from any serious (indictable) offence or offences, or from act of participation in such offence or offences, for the purpose of concealing or disguising the illicit of the property or of assisting any person who is involved in the commission of such an offence or offences to evade the legal consequences of his action; or the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to or ownership of property, knowing that such property is derived from a serious (indictable) offence or offences or from an act of participation in such an offence or offences”.*

In general, money laundering is a method to hide, transfer, and use the proceeds of a criminal act, the activities of a criminal organization, economic crime, corruption, narcotics trafficking, and other activities that constitute criminal activity. Money laundering essentially involves assets (income/wealth) that are disguised so that they can be used without being detected as coming from illegal activities. Through money laundering, income or wealth derived from illegal activities is converted into financial assets that appear to come from legal sources.<sup>19</sup>

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<sup>19</sup> Adrian Sutedi, S.H., M.H., *Hukum Perbankan; Suatu Tinjauan Pencucian Uang, Merger, Likuidasi, dan Kepailitan*, Sinar Grafika, 2007, hlm. 21

## G. The Legal Method Research

Legal research is a scientific activity, which is based on certain systematic methods and thoughts, which aims to study one or several examiners of a particular legal problem, by analyzing also conducting an in-depth examination of the legal facts, which then seeks a solution to the problems that arise in the legal problems concerned.<sup>20</sup>

### 1. Type of Research

This type of research is normative and empirical legal research. Normative legal research is legal research conducted by examining library materials or secondary materials only.<sup>21</sup> In normative legal research, research into the principles and rules of legal law is used as a tool to analyze the laws and regulations that are in force in this case Law No. 8 of 2010 concerning money laundering and Bank Indonesia Regulation Number 3/10/PBI/2001 on the Implementation of Know Your Customer Principles as amended by Bank Indonesia Regulation Number 5/21/PBI/2003 on the Implementation of Know Your Customer The Principles were later replaced by Bank Indonesia Regulation Number 14/27/PBI/2012 on the Implementation of Anti-Money Laundering and Countering the Financing of Terrorism Programs for Commercial Banks. Also with the renewal of the principle of knowing the

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<sup>20</sup> Soerjono Soekanto, *Pengantar Penelitian Hukum*, UI Press, Jakarta, 1986, hlm. 43

<sup>21</sup> Soerjono Soekanto dan Sri Mamuji, 2001, *Penelitian Hukum Normatif Suatu Tinjauan Singkat*, PT Raja Grafindo Jakarta Hal 14

customer, namely Regulation of the Financial Services Authority of the Republic of Indonesia Number 15 of 2023 concerning the Implementation of Customer Recognition Principles Administration Services.

In addition to normative legal research, this research also uses empirical legal research methods. Empirical legal research is used to find an overview of the implementation of money laundering enforcement at Bank Mandiri in Yogyakarta. Empirical legal research was conducted by interviewing the Head of the Bank Mandiri Branch of Universitas Islam Indonesia which is located at JL. Kaliurang km 14, 5, UII Integrated Campus, Krawitan, Umbulmartani Kab. Sleman, DI Yogyakarta.

The nature of this research is descriptive, which is a method used to describe an ongoing condition or situation that aims to provide data on the object of research so that it is able to explore things that are ideal, then analyzed based on legal theory or legislation.<sup>22</sup> In this thesis, the descriptive method is used to provide an overview or a phenomenon related to the role of banks in preventing money laundering with the know your customer principle.

## 2. Object of Research

The object of research is to analyze the role of bank company in the prevention of money laundering through the implementation of the know your customer (KYC) principles in Bank Mandiri Tbk. According to interviewing

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<sup>22</sup> Zainuddin Ali, *Metode Penelitian Hukum*, (Jakarta: Sinar Grafika), 2009, hal 223.

the Head of the Bank Mandiri Branch of Universitas Islam Indonesia, which is located at JL. Kaliurang km 14, 5, UII Integrated Campus, Krawitan, Umbulmartani Kab. Sleman, DI Yogyakarta. And Bank Indonesia Regulation No.3/10/PBI/2001 on the implementation of Know Your Customer Principles as last amended by Bank Indonesia Regulation No. 5/21/PBI/2003 which was later replaced by Bank Indonesia Regulation Number 14/27/PBI/2012 concerning the Implementation of Anti-Money Laundering and Countering the Financing of Terrorism Programs for Commercial Banks, Financial Services Authority of the Republic of Indonesia Number 15 of 2023 concerning the Implementation of Customer Recognition Principles Administration Services, Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering and Law No. 10 of 1998 on Banking.

### 3. Data Source

The research sources consist of two sources, including primary sources and secondary sources. Primary legal materials are authoritative legal materials, meaning they have authority. Primary materials consist of laws and regulations, official records or minutes in making laws and regulations. Meanwhile, secondary materials are all publications on law that are not official documents.<sup>23</sup>

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<sup>23</sup> Subagyo Joko, *Metode Penelitian Dalam Teori Dan Praktek*, (Jakarta : PT. Rineka Cipta, 1994), hlm 2

a. Primary data sources were obtained through empirical research which was principally carried out by going directly, such as observations and interviews. Primary data is material obtained from PT Bank Mandiri (Persero) Tbk in Yogyakarta in the form of documents used in implementing and applying the Prevention of Money Laundering Crime at PT Bank Mandiri (Persero) Tbk in Yogyakarta, with the implementation of the Know Your Customer principle. Interviews with PT Bank Mandiri (Persero) Tbk in Yogyakarta which aims to collect information for the smooth running of the research carried out, is are supporting data in this study. The interview was conducted with Mrs. Helma Meidina Andini S.Si as Branch Manager of PT Bank Mandiri Persero (Tbk). UII Branch which is located at JL. Kaliurang km 14, 5, UII Integrated Campus, Krawitan, Umbulmartani Kab. Sleman, DI Yogyakarta.

b. The secondary data source used is literature. This literature source is in the form of references used to obtain theoretical data by studying and reading various literature relevant to literature review and research problems. Secondary data sources are divided into 2, namely primary, secondary legal sources.

1) Primary legal sources in this research consist of the 1945 Constitution, Bank Indonesia Regulation No.3/10/PBI/2001 concerning the implementation of Know Your Customer Principles as last amended by Bank Indonesia Regulation No. 5/21/PBI/2003 which was later replaced

by Bank Indonesia Regulation Number 14/27/PBI/2012 concerning the Implementation of Anti-Money Laundering and Countering the Financing of Terrorism Programs for Commercial Banks, Financial Services Authority of the Republic of Indonesia Number 15 of 2023 concerning the Implementation of Customer Recognition Principles Administration Services Law No. 8 of 2010 concerning the prevention and eradication of money laundering, and Law No. 10 of 1998 concerning Banking.

- 2) Secondary legal sources in this research consist of literature studies such as books, journals and other legal documents.

The data analysis used in this research is qualitative. Qualitative analysis is a way of analyzing data sourced from legal materials based on concepts, theories, laws and regulations, doctrines, legal principles, expert opinions or researchers' own views.

## **H. Systematic Legal Research**

### **1. CHAPTER I INTRODUCTION**

CHAPTER 1 contains: Background of Study, Statement of Questions, Objective of Research, Research Benefit, Operational Definition, Literature Overview, and the Legal Method Research.

### **2. CHAPTER II OVERVIEW**

CHAPTER II General Overview which contains and discusses explanations of theories, research results, and expert opinions about the focus of research. It should be noted that the General Overview is not a collection of existing theories, but rather theories that are relevant and appropriate to the research conducted to support the research, a theoretical framework is needed as stated by Ronny H Soemitro, to provide a solid foundation in general, every research must be accompanied by theoretical thinking.<sup>24</sup> In this case, it is explained about: Overview of Know Your Customer (KYC) Principles, and an overview of Money Laundering.

### 3. CHAPTER III ANALYSIS AND DISCUSSION

CHAPTER III contains the results of research analysis and discussion of the role of the bank company in the prevention of money laundering through the implementation of the Know Your Customer (KYC) Principles in PT Bank Mandiri (Persero) Tbk.

### 4. CHAPTER IV CONCLUSION

CHAPTER IV is a closing that contains conclusions and suggestions in accordance with the formulation of the problems.

### 5. LITERATURE

Bibliography in the form of books, journals, papers, laws and regulations, decisions and electronic data.

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<sup>24</sup> Ronny Hanitijo Soemitro, Methodology, Op.Cit, p. 37