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"Follow the money approach" in Indonesia anti-corruption and asset forfeiture: A comparative insight from Malaysia, Singapore, and Thailand

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Abstract

The persistence of corruption and money laundering (ML) poses systemic threats to governance, economic development, and democratic legitimacy. Conventional enforcement paradigms that pursue perpetrators ("follow the suspect") often fail to secure restitution of stolen state assets, particularly in grand corruption cases where proceeds are layered through sophisticated financial channels. The "follow the money" approach, endorsed by the United Nations Convention against Corruption (UNCAC) and the Financial Action Task Force (FATF), reframes enforcement around asset-centric tracing, freezing, confiscation, and recovery. This article expands the discourse on the integration of "follow the money" in Indonesia's anti-corruption framework and situates it within comparative practices in Malaysia, Singapore, and Thailand. Drawing on doctrinal analysis, FATF mutual evaluation reports, Stolen Asset Recovery (StAR) guidance, and selected case studies including Indonesia's Wa Ode Nurhayati, Gayus Tambunan, and Jiwasraya scandals; Malaysia's 1MDB recovery; Singapore's CPIB-led prosecutions; and Thailand's evolving anti-money laundering reforms the paper argues that institutionalizing asset-centric investigations and non-conviction-based (NCB) confiscation mechanisms can substantially enhance restitution of public wealth. The analysis demonstrates how financial intelligence units (FIUs), beneficial ownership transparency, cross-border cooperation, and unexplained wealth regimes have improved outcomes in comparator states, and outlines a policy roadmap for Indonesia. By integrating these lessons, Indonesia can strengthen both deterrence and asset recovery, ensuring that anti-corruption efforts serve not only punitive justice but also economic restoration.

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Introduction

Corruption is widely recognized as an extraordinary crime with systemic consequences. Beyond undermining governance, corruption erodes democratic legitimacy, distorts economic competition, and exacerbates inequality. The World Bank estimates that

more than US$1 trillion is paid annually in bribes, while illicit financial flows (IFFs) linked to corruption and money laundering drain critical resources from developing economies (World Bank 2017; UNODC 2021). For resource-rich states such as Indonesia, corruption directly undermines fiscal sustainability and the legitimacy of public institutions. Scholars increasingly characterize corruption as not only a domestic but also a transnational phenomenon, given that proceeds often transit through international banking systems, offshore jurisdictions, and complex corporate vehicles (Levi 2015; Brun et al. 2020). Consequently, anti-corruption efforts must integrate financial intelligence, asset recovery, and international cooperation.

Traditional criminal enforcement prioritizes identifying suspects, securing witness testimony, and pursuing penal sanctions. Yet this "follow the suspect" model often fails to secure restitution of assets siphoned abroad or laundered through opaque networks (Halliday, Levi & Reuter 2019). The "follow the money" paradigm, in contrast, emphasizes tracing financial flows and targeting illicit proceeds as the "lifeblood of crime". This reorientation is significant in corruption cases where perpetrators deploy money laundering techniques placement, layering, integration to obscure illicit origins. International instruments increasingly codify this approach. UNCAC Chapter V elevates asset recovery to a fundamental principle, obliging state parties to enable confiscation, non-conviction-based forfeiture, and mutual legal assistance (UNODC 2021). FATF Recommendations 4, 24, and 25 mandate states to ensure confiscation, beneficial ownership transparency, and international cooperation (FATF 2016; FATF 2019). These standards collectively shift enforcement towards asset-centric justice.

Indonesia has witnessed high-profile corruption scandals with significant fiscal impacts, including the *Gayus Tambunan* tax corruption case, the *Wa Ode Nurhayati* allocation scandal, and the *Jiwasraya* insurance fraud exceeding IDR 16 trillion. Despite active institutions such as the Corruption Eradication Commission (KPK) and the Financial Transaction Reports and Analysis Centre (PPATK, Indonesia's FIU), recovery of stolen assets has lagged behind prosecutions (Butt & Lindsey 2019). Constraints include fragmented inter-agency coordination, reliance on conventional criminal burden of proof, and limited use of civil confiscation. Furthermore, Indonesia's financial system has become more integrated into global markets, increasing vulnerabilities to cross-border laundering. Weaknesses in beneficial ownership disclosure and corporate transparency exacerbate challenges in tracing illicit assets (OECD 2020). These dynamics necessitate a paradigm shift towards asset-centric strategies.

Neighboring jurisdictions offer valuable lessons. Malaysia's recovery of billions from the *1MDB* scandal through both domestic prosecutions and U.S. civil forfeiture actions illustrates the utility of multi-jurisdictional cooperation and unexplained wealth provisions (DOJ 2021; Raof 2023). Singapore's Corrupt Practices Investigation Bureau (CPIB), backed by a robust AML framework under the CDSA, has sustained high conviction rates with integrated asset tracing (FATF 2016; CPIB 2023). Thailand's Anti-Money Laundering Office (AMLO) has progressively aligned with FATF/APG standards,

though conversion of investigations into convictions remains a challenge (APG/FATF 2023). Comparative analysis of these jurisdictions allows identification of institutional designs, legal tools, and inter-agency mechanisms that can inform Indonesia's reform trajectory. This study addresses three guiding questions: (1) How is the principle of "follow the money" embedded in Indonesia's anti-corruption and anti-money laundering framework; (2) How has "follow the money" been operationalized in selected Indonesian corruption cases, and what gaps remain? and; (3) What comparative lessons from Malaysia, Singapore, and Thailand can inform Indonesia's policy roadmap for asset recovery and anti-corruption enforcement? The objective is not only to assess doctrinal and institutional design but also to outline a pragmatic policy pathway that integrates international standards with domestic realities.

Method

The study adopts a doctrinal and comparative legal analysis, drawing upon primary instruments (UNCAC, FATF Recommendations, national legislation), secondary literature, and empirical reports. Case studies provide concrete illustrations of how financial intelligence and confiscation tools operate in practice.

Results and Discussion

Conceptual and theoretical framework

1. From criminal-centric to asset-centric enforcement

   Conventional criminal justice systems have historically been oriented toward perpetrators. The "follow the suspect" approach, dominant in most penal codes, assumes that prosecutorial success depends on (i) identifying individual offenders, (ii) proving guilt beyond a reasonable doubt, and (iii) imposing penal sanctions. Yet this model is often ineffective in grand corruption cases where suspects are politically connected, abscond abroad, or manipulate procedural loopholes (U4 Anti-Corruption Resource Centre 2018).

   The "follow the money" paradigm, by contrast, is asset-centric. Its premise is that illicit proceeds are the "life-blood" of crime: disrupting financial flows undermines both the incentive and the capacity for further crime (Levi, 2015). Rather than waiting for conviction, authorities prioritize tracing, freezing, and confiscating assets at early investigative stages. This reflects a shift from retributive justice—focused on punishing offenders—to restorative and preventive justice—focused on depriving criminals of illicit gains and restoring public resources (Brun et al. 2020).

2. Theoretical foundations: Economic analysis and deterrence

   The asset-centric approach resonates with theories of economic analysis of law (Posner, 2007). If corruption is rationally motivated by expected benefits exceeding expected costs, then increasing the probability of confiscation and decreasing the

expected utility of illicit proceeds enhances deterrence. In Richard Posner's framework, enforcement efficiency depends not only on severity of punishment but also on certainty of losing gains (Posner, 2007).

This aligns with Becker's crime deterrence theory, which models criminal behavior as a cost–benefit calculus (Becker, 1968). From this perspective, asset confiscation directly raises costs by removing anticipated profits. Unlike imprisonment, which targets the offender personally, confiscation addresses the structural incentive of crime.

3. Non-conviction-based (NCB) confiscation

One of the most debated instruments within the "follow the money" model is non-conviction-based confiscation (NCB). Unlike criminal forfeiture, which requires conviction, NCB allows courts to confiscate illicit assets based on civil or administrative proceedings, often using lower standards of proof (e.g., balance of probabilities). UNCAC (Article 54) and FATF Recommendation 4 explicitly endorse NCB in circumstances such as death, absconding, immunity, or evidentiary barriers (UNODC 2021; Transparency International 2022). Proponents argue that NCB is crucial for grand corruption where powerful elites evade conviction. The Stolen Asset Recovery (StAR) Initiative has documented numerous successful NCB recoveries, such as the repatriation of Abacha assets from Switzerland to Nigeria (Brun et al. 2020). Critics, however, caution about due process and property rights, emphasizing safeguards such as judicial oversight, appeal rights, and proportionality tests (Borlini, 2024).

For Indonesia, where corruption trials often face delays and acquittals due to procedural technicalities, NCB confiscation could enhance effectiveness. The challenge lies in designing safeguards to prevent misuse while enabling recovery of stolen assets.

4. Beneficial ownership transparency

A key enabler of laundering is the misuse of legal persons and arrangements—shell companies, trusts, and nominee structures. Beneficial ownership (BO) transparency addresses this gap by mandating disclosure of natural persons who ultimately control or benefit from entities (FATF, 2016). The absence of reliable BO registries has repeatedly hindered asset recovery in Indonesia, as in the Jiwasraya and BLBI scandals where assets were hidden through layered companies.

Comparative jurisdictions provide models: Singapore's Accounting and Corporate Regulatory Authority (ACRA) requires companies to maintain and submit BO information; Malaysia is progressively strengthening BO disclosure through amendments to the Companies Act; and Thailand is aligning its BO regime with FATF/APG recommendations (APG, 2023). For Indonesia, ensuring accuracy, verification, and interconnection of BO registries with tax and financial data is essential to operationalize "follow the money."

5. Financial intelligence as an enforcement multiplier
   Financial Intelligence Units (FIUs) play a central role in operationalizing the follow the money approach. Their mandate includes receiving Suspicious Transaction Reports (STRs), analyzing data, and disseminating financial intelligence to investigative and prosecutorial bodies (McNaughton, 2023). FIUs function as "gatekeepers" in transforming raw financial data into actionable evidence. Their effectiveness depends on:

   a. Quality of STRs reporting entities must be trained and incentivized to provide meaningful data.

   b. Feedback loops FIUs must receive case-outcome feedback from law enforcement to refine analysis.

   c. Cross-border cooperation FIUs exchange intelligence through the Egmont Group, critical in transnational corruption cases.

   PPATK, Indonesia's FIU, has been instrumental in detecting anomalies in major scandals (e.g., Gayus Tambunan). Yet its intelligence has not always been admissible in court due to evidentiary limitations under the Indonesian Code of Criminal Procedure (KUHAP). Legal reform to recognize FIU outputs as evidence would strengthen the "follow the money" model.

6. The justice triad: fairness, utility, certainty
   Gustav Radbruch's triad—justice, utility, certainty—provides a normative lens for assessing the follow the money approach. Justice: Ensures fairness by depriving wrongdoers of unjust enrichment and restoring public wealth; Utility: Maximizes social welfare by redirecting recovered assets to public services; and Certainty: Requires legal clarity and predictable procedures, preventing arbitrary confiscation. The tension between efficiency (utility) and rights (justice, certainty) underscores the need for balanced safeguards in Indonesia's adoption of asset-centric tools.

7. Comparative theoretical perspectives
   Anglo-American Model: Strong reliance on civil forfeiture, e.g., U.S. DOJ's Kleptocracy Asset Recovery Initiative (DOJ 2021). European Model: Emphasizes proportionality, human rights safeguards, and judicial oversight (Borlini, 2024). Asian Model: Hybrid, combining administrative powers (e.g., Singapore's CPIB asset tracing) with AML-driven financial intelligence (APG, 2023). Indonesia, situated in Southeast Asia, can draw hybrid lessons—leveraging AML/CTF frameworks (as in Singapore and Thailand) while developing NCB tools tailored to its legal culture.

International standards shaping the "follow the money" approach

1. UNCAC chapter V: asset recovery as a fundamental principle
   The United Nations Convention against Corruption (UNCAC), adopted in 2003 and ratified by Indonesia through Law No. 7 of 2006, is the first legally binding

international instrument to recognize asset recovery as a *fundamental principle*. Chapter V (Articles 51–59) articulates obligations and mechanisms for asset tracing, freezing, confiscation, and return.

Article 51 explicitly states that "the return of assets … is a fundamental principle of this Convention" (UNODC, 2021). This language elevates asset recovery from a supplementary tool to a central objective of anti-corruption law. Articles 54–55 require state parties to enable non-conviction-based (NCB) confiscation where offenders are deceased, absconding, or immune. Provide mutual legal assistance (MLA) for tracing and confiscation across borders. Recognize foreign confiscation orders.

The Convention also details modalities for the return and disposal of assets (Article 57), obliging states to prioritize restitution to victim states. This framework has been instrumental in guiding global asset recovery efforts such as the Abacha loot (Nigeria/Switzerland), Montesinos assets (Peru), and more recently the 1MDB scandal (Malaysia/US/Switzerland) (Brun et al. 2020). For Indonesia, UNCAC provides both a normative anchor and a legal basis to pursue cross-border asset recovery. However, operationalization requires domestic laws that align with its provisions, such as admissibility of foreign evidence, legal standing in civil proceedings abroad, and robust BO transparency. The Financial Action Task Force (FATF) sets the global AML/CFT standards, directly relevant to "follow the money." Among its 40 Recommendations, several are central:

a. Recommendation 4 (Confiscation and provisional measures): States must adopt measures to identify, trace, and freeze proceeds of crime, and enable confiscation without conviction in certain cases (FATF 2016).

b. Recommendations 24 & 25 (Beneficial ownership transparency): Jurisdictions must ensure adequate, accurate, and timely BO information on legal persons and arrangements. This is crucial for piercing the corporate veil often exploited in laundering schemes.

c. Recommendations 36–40 (International cooperation): These provisions govern MLA, extradition, and information exchange, essential in cross-border corruption cases.

Beyond technical compliance, FATF assesses effectiveness across 11 Immediate Outcomes (IOs). IO.8, for example, measures whether proceeds of crime are confiscated consistently and effectively. Indonesia, though not yet an FATF member, is evaluated by the Asia/Pacific Group on Money Laundering (APG). Its 2018 Mutual Evaluation highlighted gaps in BO transparency, financial investigations, and effectiveness of confiscation (APG, 2018).

Comparatively, Singapore was assessed as having high effectiveness in confiscation (FATF, 2016), while Malaysia's follow-up reports noted improvements post-1MDB in

asset tracing but continuing challenges in conviction rates (FATF 2019). Thailand's 2023 follow-up showed progress in BO reforms but weaknesses in converting investigations to high-value confiscations (APG/FAT, 2023).

2. The stolen asset recovery (StAR) initiative
   Launched in 2007 by the World Bank and UNODC, the Stolen Asset Recovery (StAR) Initiative serves as a global knowledge and technical assistance platform. StAR emphasizes:

   a. Legal innovation: Promoting NCB confiscation, unexplained wealth orders (UWOs), and extended confiscation.

   b. Capacity building: Training investigators, prosecutors, and judges in financial forensics and asset tracing.

   c. Practical guidance: Its *Asset Recovery Handbook (2nd ed., 2020)* provides detailed operational templates for tracing, freezing, and returning assets (Brun et al. 2020).

   Case studies from StAR illustrate both successes (e.g., US$1.2 billion Abacha recovery) and challenges (e.g., limited returns in certain Southeast Asian contexts). For Indonesia, StAR's guidance underscores the need to formalize inter-agency coordination and to embed asset recovery goals within prosecutorial strategies. Beyond UNCAC and FATF, the OECD Working Group on Bribery and the G20 Anti-Corruption Working Group (ACWG) reinforce global commitments. The G20 High-Level Principles on Beneficial Ownership Transparency (2014) and Asset Recovery (2017) explicitly encourage member states—including Indonesia as a G20 member—to establish BO registries and facilitate rapid asset freezing (OECD, 2020).

   Peer pressure through these fora has prompted reforms in comparator states. For example, Singapore tightened its BO framework after G20 scrutiny, while Malaysia's commitments under the ACWG informed reforms to its Companies Act. In Southeast Asia, ASEAN has adopted limited but growing anti-corruption commitments. The ASEAN Political-Security Community Blueprint emphasizes cooperation in combating corruption and transnational crime. More practically, the Asia/Pacific Group on Money Laundering (APG) conducts mutual evaluations and technical assistance. Indonesia, Malaysia, Singapore, and Thailand are all subject to APG peer reviews. APG reports are often candid about deficiencies. Thailand's 2023 follow-up flagged gaps in effective confiscation pipelines despite legal reforms (APG/FATF 2023). Malaysia's post-1MDB reforms were recognized as progress but highlighted uneven implementation (FATF 2019). Indonesia's own evaluation emphasized the need for stronger BO enforcement and inter-agency task forces (APG 2018). Taken together, UNCAC, FATF, and StAR set out a clear normative and operational agenda:

   a. Asset recovery must be central — not incidental — to corruption enforcement.

b. NCB confiscation is legitimate with safeguards, and should be enabled domestically.

c. BO transparency is indispensable for tracing hidden assets.

d. International cooperation must be proactive, with both formal MLA and informal channels.

e. Effectiveness, not formality, is the benchmark: outcomes in confiscation and restitution matter more than laws "on the books."

f. For Indonesia, alignment with these standards requires both legislative reform (e.g., KUHAP revision to admit FIU analysis) and institutional redesign (e.g., stronger PPATK–KPK task forces).

3. Indonesia's legal framework and practice

Indonesia's anti-corruption architecture is anchored in Law No. 31 of 1999 on the Eradication of Corruption Crimes, as amended by Law No. 20 of 2001 (hereafter *Anti-Corruption Law*). This legislation defines corruption broadly, encompassing bribery, embezzlement, abuse of authority, illicit enrichment, and related crimes. It establishes special evidentiary rules, such as reversed burden of proof for illicit enrichment cases (Article 37A), though implementation has been uneven (Butt & Lindsey 2019). The Corruption Eradication Commission (KPK), established under Law No. 30 of 2002 (amended in 2019), plays a central role in investigating and prosecuting corruption cases. KPK has earned international recognition for its high-profile investigations of politicians, bureaucrats, and corporate actors. Yet its focus has historically been on *criminal prosecution*, with asset recovery often treated as secondary. The Anti-Corruption Court (Tipikor), created in 2002, was designed to specialize in adjudicating corruption cases. While the Court has achieved high conviction rates, asset recovery outcomes have lagged behind, partly because of procedural rigidity in criminal forfeiture (ICW 2020).

Indonesia criminalized money laundering through Law No. 15 of 2002, later strengthened by Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering Crimes (TPPU Law). This law empowers investigators to pursue illicit financial flows linked to predicate offenses, including corruption. It also mandates reporting entities (banks, insurance companies, notaries, accountants, etc.) to submit Suspicious Transaction Reports (STRs) to the Financial Transaction Reports and Analysis Centre (PPATK, Indonesia's FIU). Key features of the TPPU Law include: Dual criminalization, money laundering is prosecutable even if predicate offenses are not yet proven, provided illicit origin is reasonably indicated. Reversed burden of proof in specific contexts, obliging defendants to demonstrate lawful origin of assets. And provisional measures for freezing, seizure, and confiscation of assets linked to money laundering.

Despite these provisions, challenges remain in operationalizing AML as a core anti-corruption tool. Prosecutors often treat laundering charges as secondary to corruption counts, and courts hesitate to apply civil or administrative forfeiture. PPATK, established by Law No. 8 of 2010, serves as Indonesia's Financial Intelligence Unit (FIU). It has been instrumental in detecting suspicious flows in major corruption scandals, including the Gayus Tambunan tax fraud case (2010), where illicit funds were laundered through multiple bank accounts. PPATK's strengths include: Analytical capacity: combining big data analytics with cross-border intelligence (via the Egmont Group). Wide reporting coverage: banks, DNFBPs (Designated Non-Financial Businesses and Professions), and fintech providers. International cooperation: effective engagement with APG and foreign FIUs. Limitations include:

a. Evidentiary admissibility: PPATK's intelligence reports are not automatically admissible in court, requiring supplementary investigative corroboration.

b. Feedback loops: investigators and prosecutors often fail to provide case outcomes, reducing the ability of PPATK to refine typologies (McNaughton 2023).

c. Capacity disparities: while large banks comply effectively, smaller rural institutions lag in AML reporting.

4. Prosecutorial and Judicial Practices

The Attorney General's Office (AGO) and the judiciary are critical in translating *follow the money* into enforceable outcomes. Yet practice reveals several systemic obstacles: Limited use of asset-focused tools: Prosecutors overwhelmingly prioritize custodial sentences over confiscation. Asset recovery is often incidental rather than integral to indictments. Lengthy proceedings: The complexity of asset tracing, combined with procedural delays, often results in assets dissipating before final judgments. Judicial conservatism: Judges are reluctant to apply reversed burden provisions or accept financial intelligence as sufficient basis for confiscation (Butt & Lindsey, 2019). Fragmented jurisdiction: The division between Tipikor courts (corruption) and general courts (money laundering, asset forfeiture) creates procedural fragmentation.

Indonesia has formally adopted regulations on beneficial ownership (BO), most notably through Presidential Regulation No. 13 of 2018 and Ministry of Law and Human Rights decrees requiring companies to disclose ultimate beneficial owners. However, practical implementation remains weak: Many corporations, particularly shell companies, fail to submit accurate BO information; Authorities lack mechanisms to verify BO declarations against tax and financial data, and accessibility issues: Public access to BO data is limited, reducing civil society oversight (OECD, 2020). These deficiencies create loopholes exploited by politically

exposed persons (PEPs) to obscure ownership of assets, undermining *follow the money* enforcement.

Several emblematic cases demonstrate the current limitations of Indonesia's asset recovery efforts:

a. Gayus Tambunan (2010): A mid-level tax official amassed illicit wealth exceeding IDR 74 billion. While he was convicted, asset recovery was partial, with significant sums hidden through third parties.

b. Wa Ode Nurhayati (2012): A member of Parliament involved in a budget allocation scandal was convicted, but assets traced abroad were not recovered due to weak MLA mechanisms.

c. Jiwasraya Scandal (2019–2020): A state-owned insurance company collapse caused losses exceeding IDR 16 trillion. While suspects were convicted, asset tracing across offshore vehicles has been slow, highlighting the absence of an effective asset recovery framework.

Each case reveals a gap between criminal justice success (conviction) and asset recovery success (restitution) a gap that *follow the money* seeks to close. Indonesia's enforcement ecosystem involves multiple actors: KPK, PPATK, AGO, Police, Anti-Corruption Court, and the Ministry of Finance's Asset Management Office. Yet coordination is inconsistent. Turf conflicts arise, intelligence is siloed, and there is no permanent multi-agency asset recovery task force. Comparatively, Malaysia's 1MDB recovery benefitted from MACC–FIU–Attorney General's Chambers collaboration and international partnerships (Raof 2023). Singapore's CPIB enjoys direct prosecutorial coordination. Thailand's AMLO, despite limitations, centralizes AML functions. Indonesia's fragmentation remains a structural weakness. In sum, Indonesia's legal and institutional framework exhibits both potential strengths and critical weaknesses: For Strengths is Comprehensive anti-corruption and AML laws (Tipikor Law, TPPU Law), established specialized institutions (KPK, PPATK, Tipikor Courts) and international commitments (UNCAC ratification, APG membership, G20 pledges). And then the Weaknesses is limited operationalization of NCB confiscation, weak BO transparency and verification, fragmented institutional coordination, judicial conservatism and procedural rigidity, and low asset recovery relative to corruption case volume. Addressing these weaknesses requires both legislative reform (e.g., expanding NCB confiscation, revising KUHAP to admit FIU outputs) and institutional redesign (e.g., a dedicated national asset recovery office).

Comparative Enforcement: Malaysia, Singapore, and Thailand

1. Malaysia: Asset recovery after 1MDB

Malaysia's anti-corruption framework is anchored in the Malaysian Anti-Corruption Commission Act 2009 (MACC Act), complemented by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001

(AMLA/AMLATFPUAA). The Malaysian Anti-Corruption Commission (MACC) serves as the specialized anti-corruption agency, while Bank Negara Malaysia (BNM) functions as the financial intelligence unit. Key features of Malaysia's AML/CFT regime include: Dual criminalization of corruption and laundering, allowing parallel investigations. Wide STR obligations, with compliance overseen by BNM. Civil forfeiture mechanisms, enabling asset recovery without conviction. Provisions for unexplained wealth, allowing courts to infer illicit origin when disproportionate to lawful income (Raof, 2023). The 1Malaysia Development Berhad (1MDB) scandal is among the largest global corruption cases, involving the embezzlement of more than US$4.5 billion (DOJ, 2021). Funds were laundered through offshore vehicles, shell companies, and luxury assets in the US, UK, and Switzerland. Malaysia's response illustrates the practical application of *follow the money*:

a. Domestic enforcement: MACC filed multiple charges against political and corporate elites, including former Prime Minister Najib Razak, who was convicted in 2020.

b. International cooperation: The US DOJ pursued civil forfeiture under its Kleptocracy Asset Recovery Initiative, leading to recovery of over US$1 billion in assets, including luxury real estate and artworks (DOJ, 2021).

c. Repatriation: By 2022, Malaysia had repatriated more than US$1.4 billion in 1MDB-related assets from the US, Singapore, and Switzerland (Raof, 2023).

The 1MDB case demonstrates the effectiveness of: NCB forfeiture and civil recovery as tools against absconding suspects. Multi-jurisdictional cooperation, leveraging foreign courts to enforce confiscation. FIU–agency coordination, with BNM supporting MACC investigations through financial intelligence. Indonesia, facing challenges in cross-border asset recovery, can adopt Malaysia's example of aggressively using international legal frameworks and civil forfeiture.

2. Singapore: Precision and coordination in enforcement

Singapore's anti-corruption regime is built upon two core pillars: (1) Prevention of Corruption Act (PCA): Enforced by the Corrupt Practices Investigation Bureau (CPIB), an independent agency reporting directly to the Prime Minister, and (2) Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA): Provides powers for asset tracing, freezing, and confiscation of illicit proceeds. Singapore's framework emphasizes coordination and preventive focus:

a. CPIB–Attorney-General's Chambers (AGC) collaboration ensures swift prosecution.

b. Financial Sector Regulation: The Monetary Authority of Singapore (MAS) enforces strict AML compliance for banks and DNFBPs.

c. Beneficial Ownership Regime: Companies are mandated to maintain registers of controllers (BOs), with enforcement powers for ACRA.

Singapore consistently ranks among the least corrupt countries (TI CPI 2022). Its success is underpinned by:

a. High conviction rates: CPIB's annual reports show conviction rates above 95% (CPIB, 2023).

b. High-value confiscations: FATF's 2016 MER rated Singapore highly effective in confiscating criminal proceeds.

c. Case examples: In 2017, Singapore confiscated S$240 million linked to 1MDB assets, coordinated with Malaysia, US, and Switzerland (FATF, 2016).

Singapore has also pioneered proactive asset tracing, freezing suspicious funds even before conviction. This reflects a preventive approach—ensuring assets are preserved before dissipation. Singapore demonstrates the importance of: Strong inter-agency collaboration, with CPIB, AGC, MAS, and ACRA operating as a seamless ecosystem. Rapid freezing powers, preventing assets from being moved abroad. BO transparency and enforcement, critical in piercing corporate secrecy. Indonesia could benefit from institutionalizing similar multi-agency coordination and swift interim measures.

3. Thailand: Incremental progress and institutional challenges

Thailand's AML framework is governed by the Anti-Money Laundering Act B.E. 2542 (1999), establishing the Anti-Money Laundering Office (AMLO) as both FIU and enforcement body. Features include: Broad STR coverage, extending to casinos and real estate. Administrative freezing powers, allowing AMLO to freeze assets for up to 90 days pending court order. Beneficial ownership reforms, aligned with FATF/APG standards (APG/FATF, 2023). Thailand was previously gray-listed by FATF but has since made significant improvements. The 2023 Follow-Up Report noted progress in: Risk-based supervision of reporting entities; Enhanced BO transparency measures; and improved inter-agency coordination. However, challenges persist: Low conviction conversion rates, with many AML investigations not resulting in final confiscations. Judicial bottlenecks, with courts demanding high evidentiary thresholds, and Institutional overlaps, as corruption cases are split between NACC (anti-corruption commission) and AMLO (asset tracing).

Thailand's rice-pledging scheme scandal (2011–2014), involving former Prime Minister Yingluck Shinawatra, illustrates the complexities of asset recovery. While Yingluck was convicted in absentia, recovering assets abroad proved difficult due to weak MLA frameworks and political sensitivities (APG, 2023). Thailand demonstrates that: Legal reforms alone are insufficient without judicial buy-in and procedural efficiency. Centralized FIU powers (AMLO) can aid enforcement, but must be balanced with accountability. And, Political context significantly affects effectiveness; Indonesia must insulate asset recovery from political interference.

Comparative discussion

A cross-country analysis yields several insights as seen in Table 1.

Table 1. A Cross-Country analysis

Legal Tools	Malaysia and Singapore actively employ civil/NCB forfeiture, while Indonesia hesitates. And Thailand's administrative freezing powers are robust, but final confiscations are inconsistent.
Institutional Design	Singapore's integrated model (CPIB–AGC–MAS–ACRA) ensures coherence. Malaysia's multi-agency model has improved post-1MDB but still faces fragmentation. Thailand centralizes functions in AMLO but struggles with inter-agency politics. Indonesia remains fragmented (KPK, PPATK, AGO, Tipikor), with no central asset recovery office.
Beneficial Ownership	Singapore has one of the most stringent BO frameworks. Malaysia and Thailand are strengthening compliance under FATF pressure. Indonesia's registry is underdeveloped, with weak verification.
International Cooperation	Malaysia leveraged US DOJ and Swiss courts for 1MDB recovery. Singapore effectively froze and confiscated assets in coordination with multiple jurisdictions. Thailand has limited success due to weaker MLA mechanisms. Indonesia has struggled to recover assets abroad due to limited international engagement.

Gayus Tambunan, a mid-level tax official, became a symbol of Indonesia's corruption problem. Investigations revealed he accumulated illicit assets exceeding IDR 74 billion through bribery and embezzlement (ICW, 2011). Funds were laundered through dozens of bank accounts and third-party nominees. Gayus was prosecuted and convicted, receiving a custodial sentence. Asset recovery was incomplete. While some bank accounts were seized, much of the wealth dissipated through layered accounts, real estate, and overseas transfers. Without robust BO transparency and MLA mechanisms, high-profile prosecutions fail to deliver proportional restitution.

Wa Ode Nurhayati, a legislator, was implicated in the misallocation of budgetary funds through kickbacks and abuse of office. While she was convicted and sentenced to six years, the recovery of funds proved minimal (Butt & Lindsey, 2019). Funds were partially transferred abroad, but Indonesia lacked effective MLA requests and foreign courts hesitated to recognize Indonesian confiscation orders. This illustrates the cross-border asset recovery gap and the importance of aligning domestic forfeiture laws with UNCAC Article 54.

The collapse of Jiwasraya, a state-owned insurer, caused losses of more than IDR 16 trillion. Executives and affiliated businessmen were prosecuted, and several received life sentences (Tempo, 2021). Authorities confiscated domestic real estate, stocks, and bank accounts. However, many assets were hidden through shell companies and offshore vehicles. Indonesia lacked the legal tools to pierce corporate veils and pursue civil confiscation abroad. Jiwasraya demonstrates the need for BO registries, NCB confiscation, and cross-border partnerships with jurisdictions like Singapore and Hong Kong where assets were routed.

Malaysia, Singapore and Thailand cases

As analyzed earlier, 1MDB illustrates the power of coordinated international recovery. The US DOJ, Swiss authorities, and Singapore collaborated to freeze and confiscate assets ranging from real estate in New York to luxury yachts. Over US$1.4 billion repatriated to Malaysia (DOJ, 2021). Malaysia combined domestic prosecution (Najib Razak conviction) with international NCB forfeiture.

In 2017, Keppel Offshore & Marine Ltd., a Singaporean shipbuilding giant, admitted to paying US$55 million in bribes to Brazilian officials via Petrobras contracts (DOJ, 2017). The company paid US$422 million in combined penalties to US, Brazilian, and Singaporean authorities. Singapore confiscated proceeds and demonstrated capacity to act against multinational companies domiciled in its jurisdiction.

The rice-pledging scheme scandal (2011–2014) involved losses exceeding US$8 billion due to inflated procurement prices and corrupt contracts. Former Prime Minister Yingluck Shinawatra was convicted in absentia in 2017. Despite domestic confiscation attempts, significant funds had already been dissipated through cross-border laundering. Thai courts required strict proof, limiting confiscation outcomes.

Policy challenges and reform pathways

Indonesia's asset recovery still depends almost exclusively on criminal conviction-based forfeiture. While this aligns with conventional due process, it often undermines asset recovery in cases where: Suspects abscond abroad, Defendants die during trial. And Judicial conservatism leads to acquittals despite strong financial evidence. Without non-conviction-based (NCB) confiscation, large sums remain unrecoverable. Unlike Singapore (CPIB–AGC synergy) or Thailand (AMLO centralization), Indonesia's architecture is fragmented: KPK investigates and prosecutes corruption, PPATK analyzes financial intelligence, AGO prosecutes cases not under KPK jurisdiction, Tipikor courts adjudicate corruption but not laundering, and Ministry of Finance manages confiscated assets. This institutional fragmentation breeds turf conflicts, siloed intelligence, and procedural delays.

Although Presidential Regulation No. 13/2018 requires BO disclosure, compliance is weak. Without an accurate and verified BO registry, investigators struggle to trace hidden wealth. This is compounded by Indonesia's exposure to offshore secrecy jurisdictions such as Singapore, Hong Kong, and Caribbean tax havens.

Indonesian judges often demand direct evidence of corruption rather than accepting financial intelligence or circumstantial evidence of unexplained wealth. This undermines "follow the money," which relies on tracing illicit flows rather than direct bribe proof. Judicial training and jurisprudential reform are critical.

High-level corruption cases frequently involve political elites. Unlike Singapore's CPIB, which is insulated by its direct reporting to the Prime Minister, Indonesia's KPK has faced erosion of independence after the 2019 amendment to its founding law. Elite capture undermines impartial enforcement (Butt & Lindsey, 2019). Indonesia has signed limited

Mutual Legal Assistance (MLA) treaties, mostly within ASEAN. However, cooperation with key financial centers such as Switzerland, UK, and the US remains case-by-case. Without stronger international engagement, recovery of offshore assets is slow and uncertain. Even when assets are recovered, Indonesia struggles with post-confiscation management. Real estate and securities often lose value due to mismanagement. By contrast, Singapore and Malaysia have centralized asset management agencies ensuring value preservation. The follow the money approach shifts anti-corruption from punitive symbolism to restorative pragmatism. Prosecutions alone, as shown in Gayus, Wa Ode, and Jiwasraya, cannot return stolen wealth. Comparative lessons from Malaysia's 1MDB recovery, Singapore's proactive CPIB framework, and Thailand's incremental AMLO reforms reveal that success depends on a holistic ecosystem: robust laws, empowered institutions, judicial flexibility, international cooperation, and political will. For Indonesia, the reform pathway is clear. The challenge lies not in designing laws, but in cultivating the institutional independence and governance integrity necessary to transform them into practice.

Conclusion

The "follow the money" approach represents a fundamental paradigm shift in the fight against corruption and money laundering. Unlike the conventional "follow the suspect" model that prioritizes conviction and punishment of individual offenders, the asset-centric perspective treats illicit wealth as the central target of enforcement. The objective is not merely punitive but restorative—restoring public assets, deterring illicit accumulation, and undermining the incentive structures that fuel corruption. In Indonesia, the legal and institutional architecture provides a solid foundation: the Anti-Corruption Law (Law No. 31/1999 jo. Law No. 20/2001), the Anti-Money Laundering Law (Law No. 8/2010), and specialized agencies such as KPK and PPATK. Yet the practical outcomes remain disappointing. Asset recovery rates are disproportionately low compared to the scale of corruption losses. High-profile convictions—from Gayus Tambunan to the Jiwasraya scandal—have not translated into effective restitution. Three structural weaknesses explain this gap: (1) Overreliance on criminal conviction-based forfeiture, with limited application of non-conviction-based (NCB) tools; (2) Institutional fragmentation, with KPK, AGO, PPATK, and courts working in silos without a unified asset recovery strategy; and (3) Weak beneficial ownership transparency, enabling corrupt elites to hide assets in complex corporate structures and offshore jurisdictions.

By contrast, comparative jurisdictions demonstrate viable pathways forward. Malaysia, despite its systemic political corruption, showcased the power of civil forfeiture and international cooperation in the 1MDB recovery, successfully repatriating over US$1.4 billion. Singapore exemplifies precision and speed: its CPIB–AGC–MAS–ACRA ecosystem allows rapid freezing, strong BO transparency, and corporate accountability, as illustrated in the Keppel Offshore bribery case. Thailand, though slower, highlights the

importance of centralizing FIU powers (AMLO) while also warning of judicial conservatism and political interference.

From these experiences, five strategic lessons emerge for Indonesia: (1) Legal Modernization: Adopt NCB confiscation, revise KUHAP to recognize FIU intelligence as evidence, and strengthen BO registry verification, (2) Institutional Realignment: Establish a National Asset Recovery Office or task force to integrate the mandates of KPK, PPATK, AGO, and the Ministry of Finance, (3) Judicial Adaptation: Train judges to accept circumstantial and financial evidence, particularly in unexplained wealth cases, and establish specialized financial crime chambers, (4) International Engagement:
Expand MLA treaties with key financial centers, leverage the StAR Initiative, and proactively use Egmont Group channels for cross-border intelligence, and (5) Political Will and Governance: Restore KPK's independence, insulate asset recovery from elite capture, and ensure transparent reporting of recovered assets to the public. Ultimately, the Indonesian experience demonstrates that prosecution without recovery is hollow justice. A conviction that leaves stolen billions unrecovered neither deters future corruption nor restores public trust. The comparative lessons from Malaysia, Singapore, and Thailand prove that asset recovery is not a theoretical aspiration but an achievable goal, provided legal, institutional, and political ecosystems align. In the words of UNCAC Article 51, the return of assets is not optional but a fundamental principle. For Indonesia, embracing follow the money is not merely a matter of legal reform but a moral and developmental imperative. Only by depriving corruption of its economic oxygen can the state ensure justice, utility, and certainty the very triad of Radbruch's philosophy and thus secure a sustainable path toward integrity and prosperity.

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