Journal of Central Banking Law and Institutions, Vol. 5 No. 3, 2026, pp. 631 - 656
e-ISSN: 2809-9885 – p-ISSN: 2827-7775
https://doi.org/10.21098/jcli.v5i3.516

HARMONISING BANK INDONESIA AND OJK'S AUTHORITY IN ADDRESSING FINANCIAL CRIMES

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Submitted: 29 October 2025 - Last revised: 26 January 2026 - Accepted: 19 July 2026

Abstract

This study evaluates the mechanism for addressing financial crimes through restorative justice (RJ) enacted by the Financial Services Authority (OJK) without the involvement of Bank Indonesia. This normative legal research employs a statutory and conceptual approach to analyse the institutional relationships in addressing financial crimes. The absence of Bank Indonesia's participation in addressing financial crimes through RJ could undermine financial system stability. Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector (Law on P2SK) grants the OJK exclusive investigative authority under the RJ mechanism. The development of digital financial crimes that exploit payment infrastructure has blurred the functional boundaries between the two institutions, raising concerns that the OJK's exclusive authority over RJ discretion may fail to recognise threats to financial system stability that fall within Bank Indonesia's mandate. This paper proposes reconstructing the Analysis Team by adopting a risk-based coordination model to address these issues. Based on an assessment of the risk associated with criminal activity in the financial services industry, the model places Bank Indonesia and the OJK within a proportional, collaborative framework. This collaboration aims to establish an effective law enforcement framework while comprehensively maintaining the stability of the national financial system.

Keywords: *restorative justice (RJ), financial crimes, payment system, law on P2SK, OJK, bank indonesia, financial sector governance*

I. INTRODUCTION

Recently, the World Bank highlighted that the digital revolution is a catalyst for transforming global payment systems. This development fundamentally affects the governance of financial transactions, expands access to financial services, and signifies a shift in global economic activity.[1] Payment systems extend beyond their role as fund-transfer mechanisms and instead constitute

[1] Asli Demirgüç-Kunt et al., *The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19* (The World Bank, 2022), https://documents1.worldbank.org/curated/en/099818107072234182/pdf/IDU06a834fe908933040670a6560f44e3f4d35b7.pdf.

integrated institutional frameworks comprising regulatory regimes, technological infrastructures, and supervisory authorities that underpin economic activity.[2] This transformation is facilitating a range of digital payment innovations that shift from paper-based transactions into card and electronic methods,[3] including smart banking cards, point-of-sale solutions, and mobile wallets, marking a significant shift from conventional transactions to faster, more efficient, and more integrated financial systems.[4]

This change directs economic efficiency and reconstructs the interaction between law and economics in modern societies.[5] The rapid evolution of payment systems necessitates governance and regulatory frameworks that can respond and adapt effectively to technological changes.[6] Consequently, strengthening the regulatory and supervisory framework is essential for maintaining stability, ensuring transparency, and public trust.[7] This dynamic becomes apparent in the national context through the transformation of the digital economic system, which has reshaped the architecture of the digital financial economy (EKD),[8] including the payment system. EKD represents Bank Indonesia's vision and strategy initiatives through BSPI 2025 and BSPI 2030, intended to achieve a secure, efficient, and inclusive payment infrastructure to support financial system stability. As a core component of this architecture, the payment system facilitates the effective functioning of economic activities through an integrated framework of rules, institutions, and fund transfer mechanisms. In this sense, payment systems constitute the foundation of national economic activities while simultaneously reflecting a structural transition towards a more integrated EKD system.

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[2] Indonesia, Law No. 23 of 1999 on Bank Indonesia which has been amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector. Art. 1, No.6.

[3] Bank Indonesia, "Perkembangan Sistem Pembayaran di Indonesia," *Sistem Pembayaran & Pengelolaan Uang Rupiah*, n.d., https://www.bi.go.id/id/fungsi-utama/sistem-pembayaran/default.aspx.

[4] Pardeep and Amit Kumar, "A Study on the Emergence of Digital Payment Systems and the Development of the Retail Sector," *Journal of Informatics Education and Research* 4, no. 3 (2024): 2869–77, https://jier.org/index.php/journal/article/view/1655.

[5] Iulia Cristina Iuga and Syeda Rabab Jafri, "Digitalization and Future Money Supply Dynamics," *Macroeconomics and Finance in Emerging Market Economies*, April 20, 2025, 1–22, https://doi.org/10.1080/17520843.2025.2495436.

[6] Peter Gomber et al., "On the Fintech Revolution: Interpreting the Forces of Innovation, Disruption, and Transformation in Financial Services," *Journal of Management Information Systems* 35, no. 1 (2018): 220–65, https://doi.org/10.1080/07421222.2018.1440766.

[7] Iris H-Y Chiu, "Enhancing Responsibility in Financial Regulation – Critically Examining the Future of Public–Private Governance: Part 1," *Law and Financial Markets Review* 4, no. 2 (March 2010): 170–88, https://doi.org/10.1080/17521440.2010.11428110.

[8] See: Bank Indonesia, "Blueprint Sistem Pembayaran Indonesia," Bank Indonesia, 2030, https://www.bi.go.id/id/fungsi-utama/sistem-pembayaran/blueprint/default.aspx.

At this point, the existence of regulatory and supervisory authorities in the financial sector is a key pillar in maintaining the stability and integrity of the national financial system.[9] In Indonesia, these functions are primarily governed by two institutions: Bank Indonesia and the Financial Services Authority of Indonesia (OJK). The enactment of Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (hereinafter the "Law on P2SK") represents a critical milestone in consolidating Indonesia's financial regulatory framework. The law codifies the strategic direction for financial sector development while enhancing institutional capacity, improving inter-agency coordination, and broadening the authority to supervise and enforce the law against criminal acts within the financial services sector.

A key component of the Law on P2SK is the implementation of the restorative justice (RJ) mechanism as a new paradigm in law enforcement within the financial services sector.[10] Conceptually, RJ is no longer interpreted as penal mediation but rather as an instrument that emphasises victim compensation, the restoration of social balance, and offender responsibility.[11] The urgency of this shift stems from the current legal framework's heavy reliance on retributive measures, which often fail to facilitate effective economic recovery for the state.[12] In line with this, and in accordance with the Explanation of Article 48B paragraph (1) of the Law on P2SK, it is emphasised that this restorative measure is carried out with due consideration for the impact of law enforcement on the stability of the financial system.

However, the primary objectives of adopting the RJ mechanism to maintain financial system stability are at risk of being compromised. This situation arises from the Law on P2SK, which confers exclusive investigative authority upon the OJK, thereby creating a normative misalignment with Bank Indonesia's constitutional mandate to preserve the integrity of the national payment system. Given the foundational role of the payment system in all financial services activities, the exclusion of Bank Indonesia from the RJ framework

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[9] Anne-Laure Mention, "The Future of Fintech," *Research-Technology Management* 62, no. 4 (2019): 59–63, https://doi.org/10.1080/08956308.2019.1613123.

[10] Dona Budi Kharisma, "'Restorative Justice' Untuk Kejahatan Keuangan," *KOMPAS.Com*, February 9, 2024, https://money.kompas.com/read/2024/09/02/080000526/-restorative-justice-untuk-kejahatan-keuangan?page=all.

[11] Theo Gavrielides, "Collapsing the Labels 'Victim' and 'Offender' in the Victims' Directive and the Paradox of Restorative Justice," *Restorative Justice* 5, no. 3 (2017): 368–81, https://doi.org/10.1080/20504721.2017.1390998; Jeffrey M. Pavlacic et al., "Advocating for the Use of Restorative Justice Practices: Examining the Overlap between Restorative Justice and Behavior Analysis," *Behavior Analysis in Practice* 15, no. 4 (2022): 1237–46, https://doi.org/10.1007/s40617-021-00632-1.

[12] Ahmad Fauzi et al., "Recovering Justice amid Restorative Approach: Finding the Silver Lining in Asset Recovery on Corruption Crimes," *IJCLS (Indonesian Journal of Criminal Law Studies)* 10, no. 1 (2025): 217–38, https://doi.org/10.15294/ijcls.v10i1.5626.

risks blurring institutional boundaries and weakening the effectiveness of law enforcement amid rapid technological advancement.

The possibility of disharmony within these norms becomes increasingly pronounced when confronted with the rising methods of financial crime that exploit payment systems. The Wirecard case illustrates the vulnerabilities in the governance and oversight of digital payment systems that can facilitate financial crime.[13] This case examines the operational patterns of transaction fraud within payment systems via third-party acquirers (TPAs) and leverages payment processor networks in areas lacking banking licenses, particularly in Asia.[14] Cross-border payment systems facilitate the transfer of funds through transaction processing systems. This scheme facilitates money laundering by leveraging Wirecard's reputation as a payment service intermediary.[15] The Liberty Reserve case shows the potential for digital money transfer platforms to be exploited by cybercriminals to launder proceeds of illicit activities, including investment fraud, identity theft, and computer hacking. Prior to its shutdown by the United States government in May 2013, the service boasted more than five million accounts globally, with 600,000 coming from the United States. It had facilitated millions of cross-border transactions, amounting to over 50 million in laundered criminal proceeds.[16] The collapse of the crypto exchange FTX involved fraudulent activities, including the manipulation of speculative crypto tokens and the misappropriation of customer funds totalling more than 8 billion US dollars through its affiliate, Alameda Research. The crisis caused significant market disruption, resulting in substantial investor withdrawals and reducing public trust in the cryptocurrency sector.[17]

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[13] Stefan Zeranski and Ibrahim E. Sancak, "The Wirecard Scandal: The High-Speed Rise and Fall of a FinTech Company and Its Implications for Developed and Developing Economies," *Oxford Business Law Blog*, September 10, 2020, https://blogs.law.ox.ac.uk/business-law-blog/blog/2020/10/wirecard-scandal-high-speed-rise-and-fall-fintech-company-and-its.

[14] René Jakubeit, "The Wirecard Scandal and the Role of BaFin," Luiss Research Center for European Analysis and Policy, 2021, https://leap.luiss.it/publication-research/publications/r-jakubeit-the-wirecard-scandal-and-the-role-of-bafin/.

[15] Curentis Banking, *Money Laundering at Wirecard - New Findings About the Dubious Third-Party Partner Business*, October 10, 2022, https://curentis.com/en/anti-financial-crime/geldwaesche-bei-wirecard-neue-erkenntnisse-ueber-das-dubiose-drittpartnergeschaeft/.

[16] U.S. Department of Justice, "Founder of Liberty Reserve Pleads Guilty to Laundering More Than $250 Million through His Digital Currency Business," *Archives U.S. Department of Justice*, January 29, 2016, https://www.justice.gov/archives/opa/pr/founder-liberty-reserve-pleads-guilty-laundering-more-250-million-through-his-digital.

[17] Nathan Reiff, "FTX Crypto Exchange Collapse: Causes, Consequences, and Lessons," *Investopedia*, November 5, 2025, https://www.investopedia.com/what-went-wrong-with-ftx-6828447; Kalyeena Makortoff, "Bankrupt Crypto Exchange FTX Ordered by US Court to Pay Customers $12.7bn," *The Guardian*, August 9, 2024, https://www.theguardian.com/business/article/2024/aug/09/bankrupt-crypto-exchange-ftx-ordered-by-us-court-to-pay-customers-sam-bankman-fried.

The evolution of payment systems in the digital age has simultaneously increased vulnerability to increasingly complex financial crimes. Previous studies have mapped various modes of financial crime. For example, a study by Wiwoho et al. shows that digital payment systems are exploited to conceal proceeds of crime, including terrorism financing and money laundering.[18] In line with this, Nikkel notes that payment system transformations facilitate fraud, extortion, money laundering, and the financing of criminal activities through both formal financial services and crypto-assets.[19] Furthermore, Aljaradat et al. highlight that advancements in payment systems, initially intended to enhance transactional efficiency, have concurrently given rise to more organised, complex, and cross-jurisdictional forms of financial crime.[20]

Previous studies have provided in-depth insights into the types and modalities of financial crimes in the digital era that exploit payment systems. However, the literature remains limited about the regulatory implications following the enactment of the Law on P2SK. This study addresses this gap by focusing on the normative misalignment between Bank Indonesia's constitutional mandate to safeguard the integrity of the payment system and the OJK's exclusive investigative authority. In contrast to prior research, this study offers a comprehensive analysis of the marginalisation of Bank Indonesia's strategic role in resolving financial crimes, which increasingly occur through payment systems.

Specifically, this study aims to identify the normative misalignment in addressing financial crimes within the payment system and to formulate an ideal authority structure through a coordinated design between Bank Indonesia and the OJK. Considering these objectives, this research places Bank Indonesia's authority as the national payment system authority within the framework of harmonisation with the OJK's investigative authority as regulated in the Law on P2SK.

Based on these issues, the proposed regulatory framework must be comprehensively oriented toward addressing financial crimes occurring within the payment system by involving Bank Indonesia's institutional role. Accordingly, this study advances several regulatory recommendations. First, the Law on P2SK needs to strengthen Bank Indonesia's normative role in addressing criminal acts in the financial services sector, as designated by

[18] Jamal Wiwoho et al., "Financial Crime in Digital Payments," *Journal of Central Banking Law and Institutions* 1, no. 1 (2021): 47–70, https://doi.org/10.21098/jcli.v1i1.7.

[19] Bruce Nikkel, "Fintech Forensics: Criminal Investigation and Digital Evidence in Financial Technologies," *Forensic Science International: Digital Investigation* 33 (2020): 200908, https://doi.org/10.1016/j.fsidi.2020.200908.

[20] Aya Aljaradat et al., "Modelling Cybersecurity Impacts on Digital Payment Adoption: A Game Theoretic Approach," *Journal of Economic Criminology* 5 (2024): 100089, https://doi.org/10.1016/j.jeconc.2024.100089.

the OJK. Second, a risk-based coordination mechanism involving Bank Indonesia, within the framework of the Analysis Team, should be established to determine the approach to addressing criminal acts in the financial services sector. Formulating integrated regulations between Bank Indonesia and the OJK is an important step in reducing conflicts of authority norms that have previously blurred the boundaries of authority in the financial sector's law enforcement system, allowing financial crime handling mechanisms to proceed efficiently, in a coordinated manner, and in line with the principles of effective institutional governance.

II. RESEARCH METHOD

This research is normative legal research, analysing law as a system of norms comprising principles, rules, and legislation.[21] This research examines the efficacy of the OJK's mechanism for addressing financial crimes through RJ, in conjunction with Bank Indonesia's constitutional authority following the enactment of the Law on P2SK. The study employs a statutory and conceptual approach to assess the conformity of OJK's regulatory framework governing the resolution of financial crimes with the scope of Bank Indonesia's authority, and to construct legal arguments for formulating a reconstructed and integrated RJ mechanism to address financial crimes.

The data used is qualitative, consisting of primary legal materials such as:

a. Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector (hereinafter Law on P2SK);
b. Law Number 23 of 1999 on Bank Indonesia, as amended several times, most recently by Law on P2SK ;
c. Law Number 21 of 2011 on the Financial Services Authority, as amended by Law on P2SK;
d. Government Regulation No. 5 of 2023 on the Investigation of Criminal Acts in the Financial Services Sector (hereinafter Government Regulation 5/2023); and
e. Financial Services Authority Regulation No. 16 of 2023 on Procedures for Resolving Violations of Laws and Regulations in the Financial Services Sector (hereinafter POJK 16/2023).

In addition, secondary legal materials were sourced from academic literature and other scientific resources that explain, interpret, and critique primary legal materials, including books and journal articles on financial crime, financial

[21] Peter Mahmud Marzuki, *Penelitian Hukum* (Pranamedia Group, 2019); Dona Budi Kharisma and Alvalerie Diakanza, "Patient Personal Data Protection: Comparing the Health-Care Regulations in Indonesia, Singapore, and the European Union," *International Journal of Human Rights in Healthcare* 17, no. 2 (2024): 157–69, https://doi.org/10.1108/IJHRH-04-2022-0035.

system stability, RJ in economic criminal law, and the institutional governance of the financial sector.

All legal materials collected in this research were analysed using a descriptive analytical method employing deductive reasoning. The analytical process involved drawing conclusions from general normative frameworks, particularly the regulatory arrangements under Law on P2SK and the principles of financial system stability, toward specific conclusions concerning the necessity of Bank Indonesia's involvement in the OJK Analysis Team, considering the impact on financial system stability.

III. ADDRESSING THE FINANCIAL CRIME IN THE PAYMENT SYSTEM THROUGH RESTORATIVE JUSTICE FOLLOWING THE LAW ON P2SK

III.A. The Evolution of Financial Crime Models in the Payment System

Global economic development is characterised by digital transformation in the financial sector.[22] This wave of innovation has profoundly reshaped the architecture of payment systems, which are increasingly characterised by digitalisation and the widespread adoption of new payment models, including digital wallets, mobile point-of-sale (POS) systems, and contactless payments. The rapid expansion of these technologies aligns with the accelerating growth of global transaction values, projected to increase at a compound annual growth rate (CAGR) of 8.44% between 2025 and 2030, reaching an estimated total of USD 36.09 trillion by the end of the decade.[23]

This remarkable growth is underpinned by several structural drivers. First, the convenience, speed, and accessibility of digital payments have made them the favoured method of payment among consumers. Secondly, the rapid development of digital technologies in business operations has heightened the need for effective and cost-effective payment systems. Third, the worldwide growth of e-commerce has increased the demand for secure and compatible cross-border payment systems. Finally, the COVID-19 pandemic played a significant driving force, accelerating the implementation of contactless payments and driving the wider shift towards digital finance on a global scale.[24]

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[22] Eray Arda Akartuna et al., "Preventing the Money Laundering and Terrorist Financing Risks of Emerging Technologies: An International Policy Delphi Study," *Technological Forecasting and Social Change* 179 (2022): 121632, https://doi.org/10.1016/j.techfore.2022.121632; Al Sentot Sudarwanto et al., "Islamic Crowdfunding and Shariah Compliance Regulation: Problems and Oversight," *Journal of Financial Crime* 31, no. 4 (2024): 1022–36, https://doi.org/10.1108/JFC-01-2023-0003.

[23] Statita, *Digital Payments - Worldwide* (Statita Market Insight, 2026), https://www.statista.com/outlook/fmo/payments/digital-payments/worldwide?srsltid=AfmBOoosLsvtS2PqjFhhxqP-YvGu_hTIsj86nKgyGkFqEJDh8P8v6i-2.

[24] Statista, *Digital Payments*.

Payment systems are conceptually defined as a mechanism for transferring value between two parties, including the payer and the payee, facilitated through a structured network of intermediaries. In practice, this process rarely occurs as directly as the physical transfer of cash. This process of functions defines a framework referred to as the 'payment system'.[25] The payment system is a crucial component of financial infrastructure, facilitating the transfer of value within the economy. In the same way, if economic transactions are the essential force driving a market economy, the payment system operates as its vital circulatory mechanism, ensuring accessibility, stability, and efficiency across the financial landscape.[26]

Payment systems are intended to facilitate secure and efficient transactions; however, their mechanisms and complexity pose a variety of risks to intermediaries, payers, and payees. Commonly identified risks relate to technical failures, transaction delays, and the possibility of legal liabilities caused by flawed payment processing. Intermediaries are particularly susceptible to increased liquidity and compliance risks when fraud or procedural breaches occur. The evolution of payment systems through digital transformation has broadened the range of risks associated with it. The characteristics of real-time transactions, which occur without in-person interactions and operate across jurisdictional borders, create opportunities for the potential abuse of payment systems for unlawful activities.[27] The minimal transaction costs in payment systems minimise the beneficial impacts of digital financial development, including issues like money laundering, terrorism financing, and cyber fraud.[28] Enhancing efficiency in payment systems often compromises the security and integrity of the system.[29] When regulatory frameworks and oversight mechanisms fail to align with advancements in financial technology, it creates an environment favourable to the proliferation of financial crimes within the financial system.

Furthermore, the emergence and increasing prevalence of new technologies, such as blockchain and artificial intelligence (AI), are creating increasingly sophisticated forms of cyber financial crime. Several criminal activities, including illicit fundraising, fictitious online loans, and telecommunications-based fraud,

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[25] Iris H-Y Chiu, "A New Era in Fintech Payment Innovations? A Perspective from the Institutions and Regulation of Payment Systems," *Law, Innovation and Technology* 9, no. 2 (2017): 192, https://doi.org/10.1080/17579961.2017.1377912.

[26] Andrew Haldane and Edwin Latter, "The Role of Central Banks in Payment Systems Oversight," *Bank of England Quarterly Bulletin* (2005): 66, https://ssrn.com/abstract=698802.

[27] Wiwoho et al., "Financial Crime," 47.

[28] Yingxin Zhang et al., "The Promise and Perils of Digital Finance: Evidence from Crime Rate in China," *Asia-Pacific Journal of Accounting & Economics* 32, no. 6 (2024): 12, https://doi.org/10.1080/16081625.2024.2425433.

[29] Wiwoho et al., "Financial Crime."

have emerged because of the exploitation of information asymmetry in the digital age. These crimes are frequently passed off as financial innovation.[30] In addition to affecting those impacted, this phenomenon threatens the stability of financial markets and weakens public trust in the financial system.

The subsequent phase indicates that the viability of the payment system is significantly reliant on social trust. The idea that each transaction is secure and accountable is encouraged by public trust in financial institutions and payment service providers.[31] Nonetheless, this trust may lead to a blind spot, causing consumers to overlook the risks of manipulation and fraud inherent in the payment system. The cases of Wirecard and Liberty Reserve illustrate how institutional credibility and perceptions of operational effectiveness in payment systems were manipulated to conceal extensive fraud and money laundering. Consequently, the payment system is regarded not merely as a mechanism for transferring economic value, but also as a crucial public infrastructure that requires security against potential financial crime.

These risks underscore that the stability of payment systems cannot be safeguarded solely by market participants but requires proactive intervention and continuous oversight from public authorities. Consequently, the role of the central bank and financial authorities in ensuring effective supervision is essential to preventing systemic failures that could threaten broader economic stability.[32] As a result, the objective of legal and institutional reforms in this sector should be to achieve regulatory harmony that balances accountability, security, and efficiency, ensuring the integrity of the national financial system and enhancing public trust in a developing digital economy.[33]

III.B. From Retribution to Restoration: The Law on P2SK's New Approach to Financial Crimes

The Law on P2SK emerged as a strategic legal instrument aimed at strengthening the fundamentals and restoring public trust in the national financial system in the aftermath of the COVID-19 crisis. This law represents a significant policy initiative to enhance financial sector governance. It encompasses a comprehensive range of changes, affecting 16 laws, organised into 27 chapters and 341 articles, and addressing 20 critical areas within the financial system.[34]

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[30] Mengran Chai and Lin Wu, "Unveiling the Concealed Risks: The Influence of Digital Finance on Cyber Financial Crime in China," *Crime & Delinquency* 72, no. 6-7 (2024): 2, https://doi.org/10.1177/00111287241287137.

[31] Chiu, "A New Era," 194.

[32] Haldane and Latter, "The Role of Central Banks," 66–67.

[33] Chiu, "A New Era," 193.

[34] Kukuh Komandoko, "Era Baru Supremasi OJK," *KOMPAS*, August 3, 2023, https://www.kompas.id/artikel/era-baru-supremasi-ojk.

The recent development of RJ in addressing financial crimes has garnered significant public attention, particularly with the OJK designated as the primary institution responsible for supervising the financial services sector.[35] The implementation of the RJ mechanism through the Law on P2SK signifies a transformation in the legal framework, with a focus on achieving the most equitable justice for all stakeholders involved.[36] Rather than merely ensuring that the parties involved are treated equally, the application of RJ concerns regulating social order and designing and applying laws to accomplish common goals, including social balance, order, and well-being.

The authority to resolve financial crimes through the RJ mechanism is stipulated in Part Four, Number 20, Article 48B of the Law on P2SK and is further implemented in the technical implementing regulations for investigation under Government Regulation No. 5 of 2023 on the Investigation of Criminal Acts in the Financial Services Sector (hereinafter "Government Regulation 5/2023") and operational guidelines outlined in Financial Service Authority Regulation No. 16 of 2023 on Investigation of Criminal Acts in the Financial Services Sector (hereinafter "POJK 16/2023").

Based on the provisions in Article 11 of POJK 16/2023, the mechanism for resolving violations of laws and regulations in the financial services sector is explained as follows:

1. During the investigation phase, the party alleged to have engaged in a criminal act in the financial services sector requests resolution through the RJ mechanism from the OJK.
2. The application includes the following components:
    a. the quantified loss and the methodology used for its assessment;
    b. the count of affected individuals along with additional relevant details;
    c. the proposed method for loss resolution and the expected timeline for achieving resolution;
    d. a provision indicating that should the loss remain unresolved, the OJK is empowered to initiate an investigation; and
    e. initiatives aimed at enhancing business processes and governance practices.
3. The OJK evaluates the application's substance and determines the loss value by analysing three key indicators:
    a. the existence of a resolution related to the loss resulting from the criminal act;

[35] Kharisma, "'Restorative Justice' Untuk Kejahatan Keuangan."

[36] Nur Hasanah Ariyanti and Citra Delia Anjani, "Penerapan Prinsip Una Via sebagai Restorative Justice dalam Kejahatan Pasar Modal oleh Otoritas Jasa Keuangan," *Media Hukum Indonesia (MHI)* 2, no. 4 (2024): 12, https://doi.org/10.5281/ZENODO.13786168.

b. the transaction value and/or the loss value caused by the violation; and
c. the impact on the financial services sector, financial institutions, and/or the interests of customers, investors, and/or the public.

4. To evaluate and determine, considering these three indicators, the OJK establishes an Analysis Team that may include external parties.
5. Following OJK's approval of the application for financial crime resolution, the submitting party must be bound by the agreement, which includes the obligation to pay compensation. Upon completion of the compensation agreement, OJK may terminate the investigation.[37]

The Law on P2SK not only introduces a restorative approach to criminal acts within the financial sector but also expands the definition of criminal acts in this domain, as further detailed in POJK 16/2023, Art. 2. This includes various areas such as:

1. Banking;
2. Capital markets, financial derivatives, and carbon exchanges;
3. Insurance, guarantees, and pension funds;
4. Financing institutions, venture capital companies, microfinance institutions, and other financial service institutions;
5. Innovations in financial sector technology (ITSK), along with digital financial assets and crypto assets;
6. The conduct of financial service providers and the execution of consumer education and protection; and
7. Additional matters as outlined in laws pertaining to the financial services sector.

Consequently, the Law on P2SK significantly broadens the OJK's powers while also transforming the financial sector's legal framework into a more flexible and cooperative model by implementing RJ in its law enforcement approach.

IV. LEGAL ISSUES IN ADDRESSING FINANCIAL CRIME WITHIN THE PAYMENT SYSTEM THROUGH RESTORATIVE JUSTICE IN INDONESIA

IV.A. Redefining Institutional Authority: The Legal Architecture of National Payment Systems

Since its establishment, Bank Indonesia has served as the monetary authority, playing a crucial role in regulating and ensuring the stability of the rupiah's value.[38] This position is firmly grounded under Law No. 23 of 1999 on Bank Indonesia, as amended several times. It mandates Bank Indonesia to regulate

[37] Indonesia, Law on P2SK. Chapter 4, Art. 48B, paragraphs (6)–(7).
[38] Indonesia, Law on Bank Indonesia, Art. 7.

and ensure the stability of the rupiah's value, a goal that is partly achieved by ensuring the efficient functioning of the national payment system.

Amid the evolving global financial landscape and the emergence of diverse financial innovations, the institutional framework governing Indonesia's financial sector has become increasingly complex. The establishment of OJK, as outlined in Law No. 21 of 2011 on OJK (hereinafter "Law on OJK"), introduces a significant advancement in the oversight of the financial system. It guarantees that all operations in the financial services sector are conducted in an orderly, equitable, transparent, and accountable manner. This framework aims to foster a financial system that is both sustainable and stable while protecting the interests of consumers and the public. OJK has the authority to regulate, supervise, examine, and investigate activities related to financial services, including specific payment service providers operating within the digital financial ecosystem.

Subsequently, the legal framework governing the regulation and authority of institutions within Indonesia's payment system experienced substantial modifications following the enactment of the Law on P2SK. This law strengthens Bank Indonesia's role as the authority on payment systems and broadens its mandate to regulate EKD. The Law on P2SK underscores Bank Indonesia's pivotal role in the evolving payment system landscape, emphasising the need to adapt to digital innovations that simultaneously introduce new financial crime risks.

Bank Indonesia has taken a decisive step to strengthen its institutional mandate by launching the Blueprint for the Indonesian Payment System 2030 (BSPI 2030). Building on the success of BSPI 2025, which advanced national digital transformation and broadened economic and financial inclusion, BSPI 2030 provides a strategic roadmap for the modernisation of Indonesia's payment system. It outlines five key visions that continue the direction of BSPI 2025, with a stronger focus on the first vision: improving the effectiveness of national EKD integration. This vision represents the goal of BSPI 2030, positioning payment system policy as a central element within Bank Indonesia's overall economic and financial strategy.[39]

The scope of Bank Indonesia's authority over payment systems is further elaborated in Bank Indonesia Regulation No. 4 of 2025 on Payment System Policy (hereinafter "PBI 4/2025"). This regulation defines a payment system as a framework comprising rules, institutions, and mechanisms, including infrastructure, payment funding sources, and access to those sources, used to facilitate the transfer of funds to fulfil economic obligations.[40] This definition

[39] Bank Indonesia, "Blueprint Sistem Pembayaran Indonesia."

[40] Indonesia, Bank Indonesia Regulation No. 4 of 2025 on Payment System Policy, PBI 4/2025. PBI 4/2025, Art. 1, paragraph 7.

reflects that the orientation of the payment system extends beyond the technical process of transferring funds; it also encompasses the regulatory architecture and institutional governance that shape the payment system industry as an integral component of Indonesia's financial infrastructure.

On the other hand, OJK, through the Law on P2SK, has seen a notable expansion of its mandate, particularly in relation to law enforcement and the investigation of financial sector offences. This provision authorises OJK to determine the initiation, suspension, or termination of investigations, including the resolution of financial crimes through an RJ approach. The delegation of such authority reflects the recognition that investigative outcomes can directly influence financial system stability, sectoral resilience, and consumer confidence. Consequently, the Law on P2SK provides OJK with legal discretion to address criminal acts in the financial services sector in a manner that safeguards stability and sustains public trust in the integrity of Indonesia's financial system.[41]

The foundation of law enforcement in this context is rooted in Article 49 of the Law on OJK, which grants investigative authority over criminal acts in the financial services sector to certain Civil Servant Investigators (PPNS) within the OJK. This provision affirms that investigative powers may be exercised either by such PPNS or by Police Investigators specifically assigned to strengthen the OJK's functional capacity. With rights and obligations equivalent to those of OJK officials, the presence of these investigators constitutes a vital instrument in supporting the effectiveness of law enforcement.

In line with this investigative framework, Chapter 4, Point 20, Article 48B, paragraph (1) of the Law on P2SK provides a significant expansion of the OJK's discretionary authority to determine the direction of efforts to address financial crimes. Under this provision, the OJK is authorised to determine the initiation, suspension, or termination of investigations through an RJ approach. The conferral of such authority under Law on P2SK is grounded in considerations of the impact of investigative actions and their follow-up on financial system stability, the financial services sector, and/or consumer protection. Accordingly, the OJK has legal authority to investigate and prosecute criminal acts in the financial services sector to safeguard stability and maintain public trust in the national financial system.[42]

[41] Indonesia, Law on P2SK, Law No. 21 of 2011 on Financial Services Authority (OJK) which has been amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector. Explanation of the Sec. Four, No. 20, Art. 48B (1).

[42] Indonesia, Law on P2SK, Law No. 21 of 2011 on Financial Services Authority (OJK) which has been amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector. Explanation of the Sec. Four, No. 20, Art. 48B (1).

IV.B. Normative Misalignment: Bank Indonesia's Constitutional Mandate and OJK's Exclusive Investigative Authority under the Law on P2SK

Legal norms serve as foundational frameworks that define the scope and limits of authority among institutions within a governance system.[43] These norms regulate institutional relationships and coordination among institutions with interrelated functions,[44] specifically between Bank Indonesia and OJK, within the national financial system framework. Following the enactment of the Law on P2SK, significant legal implications have emerged, affecting both normative arrangements and institutional structures.

This situation arises from Chapter 4, Point 20, Article 48B of Law P2SK, which grants the OJK exclusive authority to initiate, suspend, or terminate investigations into criminal acts in the financial services sector. The implementation of this authority is further elaborated through the application of RJ mechanisms. The decision of the OJK to terminate cases through RJ accompanied by restitution is based on three primary criteria, namely:

a. the possibility of a resolution for losses caused by criminal activities;
b. the transaction value and/or the value of losses resulting from the violation; and
c. the impact on the financial services sector, financial institutions, and/or the interests of customers, investors, and the public.

However, the dominance of OJK's authority in this scheme has the potential to conflict with Bank Indonesia's constitutional authority to regulate and ensure the functioning of the payment system, as stipulated in Chapter 5, Article 9, paragraph 2 of the Law on P2SK. This concern is particularly relevant given that financial crimes frequently exploit payment system instruments and infrastructure as their primary means. Violations in the financial sector are often multidimensional, not only constituting financial crimes but also reflecting failures in payment system governance and oversight, with broad and systemic impacts.[45] In the absence of coordination with Bank Indonesia, the OJK's exercise of RJ discretion risks undermining the integrity of the national payment system infrastructure.

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[43] Peter J. Katzenstein, "The Culture of National Security: Norms and Identity in World Politics," *Foreign Affairs* 76, no. 3 (1997): 5, https://www.semanticscholar.org/paper/The-Culture-of-National-Security%3A-Norms-and-in-Katzenstein/1c0c9a471848663fe57908e8c53c49e18357aec0.

[44] Martha Finnemore and Duncan B. Hollis, "Constructing Norms for Global Cybersecurity," *The American Journal of International Law* 110, no. 3 (2016): 436, http://www.jstor.org/stable/10.5305/amerjintelaw.110.3.0425.

[45] Stijn Claessens and M. Ayhan Kose, "Financial Crises: Explanations, Types, and Implications," Working Paper No. WP/13/28 (International Monetary Fund, 2013), https://www.imf.org/-/media/websites/imf/imported-full-text-pdf/external/pubs/ft/wp/2013/_wp1328.pdf; Vincenzo Pacelli, ed., *Systemic Risk and Complex Networks in Modern Financial Systems* (Springer Nature, 2025), https://doi.org/10.1007/978-3-031-64916-5.

The situation gradually reveals a normative misalignment between Bank Indonesia's constitutional authority over the payment system and the regulatory framework governing the handling of financial crimes, both of which are intended to ensure financial system stability. Normative conflict arises when the OJK uses its exclusive discretion to apply RJ and suspend investigations solely based on compensation commitments made by offenders to victims. Meanwhile, considers these financial crimes to be systemic risks to the integrity of payment system infrastructure, requiring stringent law enforcement measures to maintain financial system stability.

These conditions illustrate governance inefficiencies in which the OJK plays a dominant role, while Bank Indonesia loses in its sphere of authority. In the absence of an effective coordination mechanism, this fragmentation of authority not only fosters sectoral self-interest among institutions but also overlooks risks to the stability of the financial system in an increasingly complex digital financial ecosystem. Consequently, effective coordination needs to be restructured to ensure that laws are enforced comprehensively, rather than in a fragmented manner, within the framework of national financial system stability.

Table 1.
Comparison of the Authority of Bank Indonesia and OJK Before and After the Law on P2SK

<table>
<tr><th>Aspect</th><th>Before the Law on P2SK</th><th>After the Law on P2SK</th></tr>
<tr><td rowspan="4">Primary Legal Material</td><td colspan="2">Bank Indonesia</td></tr>
<tr><td>Law No. 23 of 1999 on Bank Indonesia</td><td>Law on P2SK, Chapter 5</td></tr>
<tr><td colspan="2">OJK</td></tr>
<tr><td>Law No. 21 of 2011 on Financial Services Authority</td><td>Law on P2SK, Chapter 4</td></tr>
<tr><td rowspan="2">Objectives, Functions, and Authorities</td><td colspan="2">Bank Indonesia</td></tr>
<tr><td>The primary objective of Bank Indonesia is to achieve and maintain the stability of the rupiah.[46] In pursuit of this mandate, Bank Indonesia is entrusted with three fundamental functions:[47]
a. Formulating and implementing monetary policy;
b. Regulating and ensuring the smooth operation of the payment system;
c. Regulating and supervising banks.</td><td>The objectives of Bank Indonesia are to achieve and maintain the stability of the rupiah, maintain the stability of the national payment system, and contribute to safeguarding the stability of the financial system to support sustainable economic growth.[48]</td></tr>
</table>

[46] Indonesia, Law on Bank Indonesia. Art. 7.
[47] Indonesia, Law on Bank Indonesia. Art. 8.
[48] Indonesia, Law on P2SK. Chapter 5, Art. 7.

Table 1.
Comparison of the Authority of Bank Indonesia and OJK Before and After the Law on P2SK (Continued)

<table>
<tr><th>Aspect</th><th>Before the Law on P2SK</th><th>After the Law on P2SK</th></tr>
<tr><td></td><td colspan="2">OJK
The Financial Services Authority (OJK) was established with the mandate to ensure that all activities within the financial services sector:[49]
a. are conducted in an orderly, fair, transparent, and accountable manner;
b. are directed toward fostering a financial system that grows in a sustainable and stable manner; and
c. are capable of protecting the interests of consumers and the public.</td></tr>
<tr><td></td><td>The OJK administers an integrated regulatory and supervisory system for all activities within the financial services sector,[50] including banking, capital markets, and institutions in the insurance, pension funds, financing institutions, and other financial services institutions sectors.[51]</td><td>To achieve its institutional objectives, OJK performs the following core functions:[52]
a. administering an integrated regulatory and supervisory framework across all activities within the financial services sector;
b. actively maintaining financial system stability in accordance with its statutory mandate; and
c. providing protection for consumers and the public.
The OJK's regulatory and supervisory responsibilities encompass all financial services activities, including those in the banking sector, capital markets, insurance, financing institutions, pension funds, and digital financial services, including financial technology innovations (ITSK), digital financial assets, and crypto assets. In addition, OJK exercises oversight of financial service providers' conduct, implements consumer education and protection measures, and ensures the stability of the integrated financial system through the assessment of systemic risks arising from financial conglomerates.[53]</td></tr>
</table>

[49] Indonesia, Law on Financial Service Authority, Law No. 21 of 2011 on Financial Service Authority. Art. 4.
[50] Indonesia, Law on Financial Service Authority. Art. 5.
[51] Indonesia, Law on Financial Service Authority. Art 6.
[52] Indonesia, Law on P2SK. Chapter 4, Art. 5.
[53] Indonesia, Law on P2SK. Chapter 4, Art. 6.

Table 1.
Comparison of the Authority of Bank Indonesia and OJK Before and After the Law on P2SK (Continued)

Aspect	Before the Law on P2SK	After the Law on P2SK
Investigative Authority	**Bank Indonesia**	
	Exclusion from determining the impact of criminal acts in the financial services sector, even though Bank Indonesia has a constitutional mandate to maintain the stability of the national financial system.	
	OJK	
	OJK investigators are designated Civil Servants (PPNS) within OJK who are authorised to conduct investigations as referred to in the Criminal Procedure Code (KUHAP).[54] The results of these investigations are submitted to the Prosecutor for follow-up within a maximum of 90 days.	The OJK has the entire authority to determine the investigation status of financial crime, including the suspension associated with these crimes through a RJ method that requires a compensation agreement.[55] While crimes are generally required to get to the investigative phase, the OJK has the discretion to implement restorative procedures to maintain the stability of the financial system.[56]

V. RESTORATIVE JUSTICE IN THE P2SK FRAMEWORK: ALIGNING LEGAL ENFORCEMENT WITH NATIONAL FINANCIAL STABILITY

V.A. Reinforcing the Normative Foundations

The Law on P2SK does not clearly define the functional boundaries or coordination mechanisms between the OJK and Bank Indonesia in addressing financial sector crimes. To address this, a regulation establishing a coordination mechanism between the two institutions is urgently needed to ensure that supervision and law enforcement in the financial sector align with the principles of legal harmonisation, aimed at constructing a stable, integrated system capable of effectively addressing financial-sector crime risks.

Filling this gap is particularly important given the phrasing of Chapter 4, Point 20, Article 48B paragraph (5) of the Law on P2SK, which clarifies three primary indicators as legal parameters for the OJK in determining whether a financial crime may be addressed by RJ mechanisms or must be referred to the investigation stage. The three parameters include:

1. Resolution of losses resulting from the criminal act;
2. Transaction value and/or the value of losses from the violation;
3. Impact on the financial sector, financial institutions, customers, and/or the public.

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54 Indonesia, Law on Financial Service Authority. Art. 49.

55 Indonesia, Law on P2SK. Chapter 5, No. 20, Art 48B.

56 Indonesia, Law on P2SK. Explanation of the Chapter 4, No. 20, Art. 48B (1).

A closer examination shows that this indicator cannot be determined exclusively by the OJK. Each indicator inherently carries systemic dimensions that fall under Bank Indonesia's legal mandate, particularly regarding macroprudential stability and the integrity of the national payment system.

Within the realm of payment systems, losses are not solely individual but may also manifest as systemic disruptions that compromise stability and erode public trust in the payment infrastructure. Similarly, transaction value not only represents the scale of economic loss but also reflects the level of systemic risk exposure. The final indicator concerning impacts on the financial sector, financial services institutions, customers, and the public is inherently at the macro level, as it evaluates the broader consequences of violations for the financial ecosystem and public trust. Accordingly, the OJK's application of RJ to resolve financial sector crimes should be undertaken through a coordinated mechanism that involves Bank Indonesia. Such a collaborative approach ultimately strengthens the overall integrity of financial sector governance.

V.B. Reconstructing the Analysis Team: Synergy Between Bank Indonesia and OJK Through Risk-Based Coordination

The prosecution of financial crimes through the RJ mechanism is currently carried out by the Loss Assessment Team for the Resolution of Criminal Offences in the Financial Services Sector (hereinafter referred to as the Analysis Team). As a manifestation of Financial Services Authority Regulation Number 16 of 2023, the Analysis Team verifies applications for the resolution of financial crimes. Furthermore, the Analysis Team comprises internal units within the OJK that perform investigative, supervisory, risk management, and quality control functions, and may also include representatives from the police, experts, and consultants.[57]

Within this structure, the Police are authorised to supervise the OJK investigation by, including case conferences, suspect identification, technical assistance, and investigative consultations with OJK Investigators.[58] The involvement of the Police in these investigations enhances the procedural and technical oversight. The Police play an essential role in ensuring that the exercise of OJK's powers complies with the principles of prudence and legal integrity, while also reducing the risk of deviation from the primary goals of national financial regulation reform.[59]

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[57] Indonesia, Financial Service Authority Regulation No. 16 of 2023 on Investigation of Criminal Acts in the Financial Services Sector, POJK 16/2023. Explanation of Art. 11 paragraph (5) and (6).

[58] Indonesia, Government Regulation No. 5 of 2023 on Investigation of Criminal Acts in the Financial Services Sector, PP 5/2023. Art. 7.

[59] Fingky Ayu Andriyani et al., "Dampak Hukum Penyidikan Polri terhadap Tindak Pidana di Sektor Jasa Keuangan," *Jurnal USM Law Review* 8, no. 2 (2025): 865–81, https://doi.org/10.26623/julr.v8i2.12012.

Nevertheless, this oversight must be supported by an authority capable of identifying deeper dimensions of risk so that law enforcement does not rely solely on procedural and administrative supervision but also considers systemic threats. Article 11 paragraphs (5) and (6), along with the Explanations of POJK 16/2023, have provided coordination mechanisms between the OJK and external entities, including experts and consultants, to conduct more comprehensive risk assessments. In the realm of multidimensional financial crime, the participation of external entities must extend beyond specialists or consultants to include Bank Indonesia, the payment system regulator.

The importance of Bank Indonesia's involvement lies in the need for a comprehensive analysis to assess the extent of the impact of financial crimes, which often go beyond individual losses and can become systemic disruptions that affect the stability of the financial and payment system infrastructure. In the absence of Bank Indonesia's involvement, the legal enforcement mechanism through RJ is vulnerable to sectoral bias and ignores the domino effect of financial crimes on the national financial system. The coordination between the OJK and Bank Indonesia is critical for ensuring that OJK's execution of RJ aligns with the goals of incorporating the RJ approach into the resolution of financial crimes and the objectives of Bank Indonesia as outlined in the Law on P2SK.

The cooperation between OJK and Bank Indonesia can be manifested through a risk-based coordination approach in the formation of the Analysis Team. The implementation of the Analysis Team under this approach involves assessing the substance of applications for financial crime resolution and calculating the value of losses arising from such crimes.[60] Within this framework, law enforcement has relied on risk-based supervision (RBS), developed by the OJK for the non-banking financial industry (IKNB) since 2014. This approach is designed to detect threats such as money laundering and other financial crimes before they escalate into widespread crises. Furthermore, enforcement of financial criminal law is underpinned by two primary tools: the risk rating system (SPR), which measures risk levels, and the risk-based supervision system (SPBR), which provides a strategic framework for determining the direction of supervisory intervention. By integrating these two instruments, the Analysis Team can evaluate the merits of the RJ mechanism and calculate losses to formulate decisions based on the level of risk.

From a technical perspective, the Analysis Team serves as a forum for information exchange and joint decision-making on financial sector crimes, based on objective thresholds derived from the three relevant aspects used to

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[60] Indonesia, Financial Service Authority Regulation No. 16 of 2023 on Investigation of Criminal Acts in the Financial Services Sector. Art. 11 paragraph 2 and 3.

determine the eligibility of financial crime resolution through compensation mechanisms. This technical process entails a rigorous evaluation of potential RJ applications and a precise calculation of financial losses based on standardised criteria. Central to this framework is the risk-based coordination principle, which facilitates horizontal alignment by positioning each institution as an equal stakeholder. By eliminating unilateral veto power, this structure ensures that all outcomes are based on a genuine consensus, thereby safeguarding legal certainty and the overarching stability of the national financial system.

Beyond the conceptual adoption of this framework, this study explicitly proposes formalising the Analysis Team's outcomes through a Joint Decree. As a binding legal instrument, the Joint Decree operationalises a decision-making process rooted in the principle of deliberation for consensus among all team members. The decision-making process, through deliberation toward consensus, mirrors the mechanism established by the Financial System Stability Committee (KSSK). In this model, each member is granted equal standing and opportunity to voice their perspective without any party holding a unilateral veto power–with the exception of the Chairman of the Board of Commissioners of the Indonesia Deposit Insurance Corporation (LPS), whose voting rights are specifically regulated under the KSSK framework. See: Indonesia, Law on Prevention and Resolution of Financial System Crises, Law No. 9 of 2016 on Prevention and Resolution of Financial System Crises, which has been amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector. Art. 11 paragraph 1. By codifying this approach, the determination of eligibility for financial crime settlements through RJ becomes a collective and balanced outcome, ensuring that law enforcement actions are harmonised with the preservation of national financial stability.

Unlike the Financial System Stability Committee (KSSK), which exercises authority at the policy level,[61] the Analysis Team focuses on the technical processes involved in investigating financial-sector crimes. KSSK serves a pivotal function in harmonising the efforts of Bank Indonesia, the Financial Services Authority of Indonesia (OJK), the Ministry of Finance, and the Indonesia Deposit Insurance Corporation (LPS) to ensure coherence between macroprudential and microprudential policies. KSSK functions as a platform for the transfer of information and coordination of policies, while also possessing significant authority in developing strategies for crisis resolution and directing the execution of stabilisation policies by member institutions. In accordance with its established mandate, the KSSK provides counsel to the President on existing or potential financial crisis scenarios and has the authority

[61] Adam Triggs et al., "Risks, Resilience, and Reforms: Indonesia's Financial System in 2019," *Bulletin of Indonesian Economic Studies* 55, no. 1 (2019): 13–14, https://doi.org/10.1080/00074918.2019.1592644.

to recommend classifying the financial system as in crisis. This resolution establishes the legal framework for the execution of measures. The following section outlines the roles, responsibilities, and coordination mechanisms of the Analysis Team:

Table 2.
Integrating the Role of Bank Indonesia and the Resolution Stage through RJ

Resolution Stage	OJK	Bank Indonesia	Police/ Prosecution	Experts/ Consultants	*Output*
Preliminary Investigation	Conducts assessments of applications for financial crime resolution through RJ.	Assesses potential risk impacts on financial system stability and payment system infrastructure.	Carries out procedural and technical supervision during the investigation.	Provides an initial objective assessment of the financial crime.	Determination of the financial crime risk rating system.
Determination of Application Status		Evaluates the impact on the financial sector, financial services institutions, customers, and the public.	Conducts technical implementation and case exposures (*gelar perkara*).	Performs in-depth analysis.	Determination of whether the investigation is initiated or terminated.
Implementation of RJ	Regulates the mechanism of settlement agreements and compensation arrangements.	Supervises the impact of the settlement on the integrity of the payment system.	Monitors investigation procedures and administration.	Validates the fulfilment of governance improvements by financial services institutions.	Post-decision monitoring and evaluation.

VI. CONCLUDING REMARKS

Efforts to harmonise financial sector laws through the Law on P2SK have left the functional boundaries between Bank Indonesia's mandate to maintain the integrity of the payment system and the OJK's authority to investigate financial crimes unclear. This condition has implications for the law enforcement mechanism through RJ, which is vulnerable to sectoral bias and risks ignoring the domino effect of financial crimes on the stability of the national financial system. Although POJK 16/2023 has established an Analysis Team comprising the Police and experts, current supervision remains largely procedural and administrative, thereby failing to fully mitigate systemic threats.

Therefore, it is important to reconstruct the Analysis Team's formation by involving Bank Indonesia through a risk-based coordination approach. The Analysis Team is designed as a forum for information exchange and joint decision-making to determine the eligibility of financial crime settlements under the RJ mechanism by assessing the urgency of RJ applications and calculating losses using objectively agreed thresholds. Beyond a conceptual framework, this study explicitly proposes formalising the Analysis Team's outcomes through a Joint Decree. As a binding legal instrument, the Joint Decree operationalises a decision-making process rooted in the principle of deliberation for consensus among all members.

The risk-based coordination principle emphasises horizontal coordination that places each institution on an equal footing, without veto rights, ensuring decisions are reached by consensus to guarantee legal certainty and financial system stability. By involving Bank Indonesia as the payment system authority, the Analysis Team is able not only to accurately calculate material losses but also to determine proportionate legal interventions based on the level of systemic risk in the financial services sector, thereby ensuring that the implementation of RJ by the OJK remains aligned with the objectives of national financial system stability as mandated under the Law on P2SK.

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