

## Cartal Money Restrictions: A Critical Analysis of Combating Corruption in Digital Indonesia

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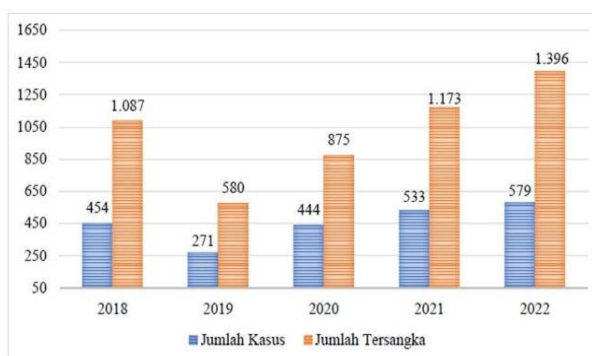
**Abstract.** *The use of banknotes in high-value transactions increases vulnerability to corrupt practices that open legal loopholes for corrupt actors. Thus, the need for restrictions on banknotes can be considered as a preventive policy. This research has two main objectives: first, to identify the factors that affect the effectiveness of restrictions on the use of banknotes in preventing corruption, and second, to analyze the legal construction related to restrictions on the use of banknotes in Indonesia. This research uses normative legal research methods, with a statutory approach and conceptual approach. Primary data source materials are used in the form of Law No. 20 of 2001 amending Law No. 31 of 1999, concerning the Eradication of Corruption (Anti-Corruption Law), and secondary materials in the form of related books and journals are used to enrich the analysis. The results of this study show that the limitation of banknotes is an effective solution as a means of preventing corruption, considering that banknotes are the main means of corrupt practices. Currently, regulations on limiting the use of currency notes in Indonesia's legal system are still at the planning stage. For this reason, political commitment and public support are needed to realize a comprehensive regulation. This regulation is expected to encourage the transition to cashless transactions and strengthen the integrity and accountability of the national financial system. The Bill on Limiting Cartal Money Transactions (PTUK) is an important step to limit cash transactions, encourage financial digitization, and improve transparency, efficiency, and accountability. The passage of this bill can reduce the space for corruption and strengthen efforts to realize clean government.*

**Keywords:** *Cash; Corruption; Criminal; Restrictions.*

## 1. Introduction

Corruption eradication has become one of the main priorities of the post-reform Indonesian government. Various steps have been taken, both in efforts to prevent and overcome corruption, which are carried out simultaneously by executive (both Central and Local Governments), legislative, and judicial institutions (Agasi et al., 2020). To eradicate corruption, the Indonesian government established the Corruption Eradication Commission (KPK), a special institution established under Law No. 30 of 2002. KPK has a mandate to carry out efforts to eradicate corruption in a professional, intensive and sustainable manner (Harefa and Nazahra, 2022). However, one of the main problems faced in the eradication of corruption is the use of cash in transactions that are vulnerable to misuse. Cash is often a tool used in corrupt practices and money laundering. Money laundering is simply divided into three main stages. These stages are placement, layering, and integration (Fernando et al., 2021).

With unrecorded cash transactions, criminals can easily hide traces of unauthorized fund flows. Therefore, restrictions on the use of currency in Indonesia are highly relevant, especially in an effort to combat corruption in the current digital era (Noviyanti, 2017). In this context, restrictions on the use of currency appear as an innovative solution that should be considered within the criminal law framework to combat corrupt practices in Indonesia's digital era. This approach is in line with the *ultimum remedium* principle in criminal law, where criminal sanctions are the last resort after prevention efforts have been made (Suhariyanto, 2022).



Grafik 1. Tren Korupsi dalam Lima Tahun Terakhir (2018-2022)

Source: Report on the Results of Monitoring Trends in Corruption Case Prosecution in 2022

The circulation of cash transactions is one of the things that is difficult to track, thus allowing corrupt practices to occur as presented in the table above. Corruption crimes have increased between 2018 and 2022, which is largely influenced by the use of cash that facilitates illegal transactions and gratuities without a trace (Anandya et al., 2022). For example, the case of Zarof Ricar, the

former Head of the Supreme Court's Balitbang, was exposed as a case broker in the judicial mafia network in October 2024. He allegedly collected gratuities in the form of money and gold during his tenure from 2012 to 2022, with almost IDR 1 trillion in cash and 51 kg of gold found in his house (Tribun Aceh, 2024).

As an example of the second case, Muhammad Tamzil, who served as the Regent of Kudus, was caught up in a corruption case related to accepting bribes for cash. In 2019, Tamzil was arrested by the Corruption Eradication Commission (KPK) in a sting operation (OTT) for allegedly accepting bribes from contractors who won projects in the Kudus local government. The cash received by Tamzil allegedly came from third parties who hoped to benefit from projects managed by the district government (Rahmatullah and Hadi, 2022).

With many cases of corruption, limiting currency transactions is an important step towards creating a more transparent and efficient financial system in the future. The use of cash is still dominant in large-value transactions that are prone to corrupt practices. This gap creates a loophole that can be utilized by perpetrators of corruption to avoid detection and legal proof. From a criminal law perspective, the restriction of banknotes can be seen as a form of preventive criminal policy (Khhoeroni, 2024).

Cash restrictions face challenges in the form of resistance from various parties who consider this policy to limit the freedom of transactions. However, the implementation of a cashless system can strengthen the concept of follow the money, where the flow of funds is more easily traced through digital traces, making it easier for law enforcement officials to uncover corruption cases (Yofiza et al., 2025). The implementation of this policy requires harmonization with existing regulations, such as the Anti-Corruption Law, as well as coordination between law enforcement agencies, financial authorities, and digital service providers to avoid overlapping authorities. However, the PTUK Bill, which proposes a maximum cash transaction limit of IDR 100 million, is still experiencing obstacles in its discussion, including resistance from some politicians who argue that cash transactions are necessary in political strategies during elections. Since it was proposed in 2017, the bill has yet to be passed.

Previous research, which is used as a benchmark for the preparation of this research, serves as a medium to find novelty and avoid plagiarism. After collecting data, several relevant studies were found to be used as references to enrich this research study, among others; 1) Research by Zakaria, A. T. (2024), with the title "Draft Law on Limiting Cartal Money Transactions & Analysis of the Imposition of the Draft Law on Limiting Cartal Money Transactions: Analysis of the Indonesian Journal of Education, Politics and Social Affairs". 2) Research entitled "Analysis of Decision Making on the Ratification of the Bill on Restriction of Cartal Money

Transactions (2024)". 3) Research by Diah, M. Suhety, N. (2024), with the title "Limiting Cartal Money Transactions as an Effort to Prevent Money Laundering Crimes: Perspective (Case Study: Gadjah Mada University)". Overall, these three studies both discuss the Limitation of Cartal Money Transactions (PTUK) from various perspectives, ranging from law drafting, decision making, to the prevention of money laundering. This research focuses on an in-depth analysis of the PTUK Bill and its implications for restrictions on cardinal money and presents an in-depth analysis of the legal construction of PTUK with a focus on financial digitalization as a corruption prevention strategy, which has not been widely discussed in previous studies.

Based on the background that has been described, the author raises 2 problem formulations, namely: How is the regulation on the limitation of banknotes based on positive law in Indonesia? How is the legal construction related to the limitation of banknotes in supporting the prevention and eradication of corruption?

## **2. Research Methods**

This research is a normative juridical research that examines more deeply related to legal principles, legal systematics, legal history, and research using scientific document studies that include a study of various primary and secondary legal sources (Amiruddin, 2006). This includes laws and regulations governing the use of currency and corruption in Indonesia and other relevant legal documents such as court decisions. This research uses normative juridical research because it is intended to examine the norms of existing regulations, specifically Law No. 31 of 1999, concerning the Eradication of Corruption (Anti-Corruption Law) with its relationship to restrictions on the use of currency as an effort to reduce the number of corruption crimes.

The approach used by the author is a statutory and conceptual approach, with primary data sources used in the form of Law No. 20 of 2001 amending Law No. 31 of 1999, concerning Eradication of Corruption Crimes (Anti-Corruption Law), Law No. 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes, PBI No. 14/7/PBI/2012, concerning Rupiah Money Management, which regulates the mechanism of depositing and withdrawing money by banks. Supported by secondary data in the form of legal books and journals, as well as tertiary data based on legal dictionaries. The data collection technique used by the author is library research. This article is prepared using qualitative juridical legal material analysis, by explaining in depth (descriptive analysis) from various points of view that interpret the legal provisions relating to the regulation of currency and corruption in Indonesia. The use of this method of analysis aims to describe the relevant or ideal way to prevent corruption through restrictions on the use of currency.

### **3. Results and Discussion**

#### **3.1. Regulation of Cash Restrictions Based on Positive Law in Indonesia**

Cash is a type of money issued by the Central Bank and applies as legal tender in daily buying and selling transaction activities. This money can also be interpreted as money in the form of paper or metal which is regulated and determined by the government through laws and regulations to be used as legal tender (Hapsari, 2020).

Based on the provisions of Law No. 23 of 1999 concerning Bank Indonesia, which has been updated through Law No. 7 of 2011 concerning Currency, specifically Article 26 paragraph (1), Bank Indonesia (BI) is the only institution that has the exclusive authority (charter rights) to circulate banknotes and coins in the territory of the Republic of Indonesia.

Cash itself has a disadvantage in that it is easily lost, given its small physical form, both in sheet and metal form, so it has the potential to be tucked in between or folded into other items. In terms of efficiency, the use of banknotes is considered less practical, especially in transactions with large nominal values, as this can increase the risk of crimes such as theft when someone carries large amounts of cash. In addition, other forms of crime such as counterfeiting and money laundering are also easier to commit using banknotes, given that there is no record of the circulation history or origin of the money, making the tracing process difficult (Karmilah and Fajriyah, 2024).

Increased economic activity also opens up opportunities for criminal acts, especially corruption in Indonesia, which generally involves the use of cash financial transactions. The use of cash in various corruption cases is a challenge for the Financial Transaction Reports and Analysis Center (PPATK) in tracking the flow of funds, because these transactions are not recorded in the formal financial system. This makes it difficult for law enforcement officials to trace transactions. The revelation of a number of corruption cases and allegations of terrorism funding, both domestic and foreign origin, further strengthens the allegation that the transactions are carried out in cash outside the formal financial system, so they cannot be detected.

The lack of use of electronic money, which has an impact on the high cost of producing banknotes, as well as the rise of corruption and money laundering cases, should be a strong reason to immediately pass the Draft Law (Bill) on the Limitation of Cartal Money Transactions, considering that banknotes are the main means in the practice of corruption. The existence of regulations in the form of laws will be a real preventive measure in efforts to eradicate corruption as well as facilitate law enforcement officials in tracing the flow of funds from these criminal acts.

## 1. Legal Regulations Related to Cash

### A. Law No. 23 of 1999 jo. Law No. 7 of 2011 on Currency

Article 26 paragraph (1) states that Bank Indonesia has the exclusive authority to issue currency in the form of banknotes and coins. Currency is divided into two types, namely state money made of plastic material and issued by the government, and bank money in the form of paper or metal and issued by the central bank. Banknotes function as legal tender and must be accepted by the public in every sale and purchase transaction.

### B. Law No. 8 of 2010 on Prevention and Eradication of Money Laundering Crime

Law No. 8/2010 on the Prevention and Eradication of Money Laundering stipulates that every transaction with a value of  $\geq$  IDR 100,000,000 must be traced in depth by financial service providers. The provision in Article 34 paragraph (1) also sets the maximum limit for cross-border cash circulation at IDR 100,000,000. The application of the know your customer principle by financial service providers is a form of implementation of the provisions of Article 18 paragraph (3) letter b of the Law, which requires financial service providers to conduct in-depth customer transactions with a value of  $\geq$  IDR 100,000,000 or the equivalent in other currencies (Indonesia Corruption Watch, 2022).

### C. Government Regulation No. 99/2016 on the Carriage of Cash and/or Other Payment Instruments into or Out of the Indonesian Customs Area

Government Regulation No. 99/2016 on the Carrying of Cash and/or Other Payment Instruments into or Out of the Indonesian Customs Area also regulates similar provisions. Article 2 paragraph (1) states that every individual who carries cash and/or other payment instruments with an amount of at least IDR100,000,000 or its equivalent value, both into and out of the Indonesian customs area, is required to submit it to customs and excise officials.

## 2. Draft Law on Limiting Cartal Money Transactions (PTUK Bill)

The Financial Transaction Reports and Analysis Center (PPATK), in collaboration with Bank Indonesia (BI) and the Financial Services Authority (OJK), proposed limiting the use of cash through the drafting of a bill. The proposal received a positive response from various banking institutions, which supported the establishment of a bill on cash transaction restrictions. This draft policy is believed to improve accountability and encourage national economic growth to reach 7%. Several countries, such as Mexico, France, Italy, Belgium, Ukraine, and Brazil, including a number of international institutions, have implemented similar policies related to restrictions on the use of cash. In line with this, research was also



conducted on the effectiveness of cash transaction restriction policies as part of the financial system strengthening strategy.

The Draft Law on the Restriction of Cash Transactions (RUU PTUK) was initiated by the Ministry of Law and Human Rights together with a number of related ministries, institutions, or agencies, including the Financial Transaction Reports and Analysis Center (PPATK), as an effort to enforce the law and counter practices related to cash transactions. The PTUK Bill has been listed in the National Legislation Program (Prolegnas) for the 2015-2019 period and, based on data from the DPR RI's official website ([dpr.go.id](http://dpr.go.id)), the discussion only reached the discussion stage in 2018. Furthermore, in the 2020-2024 Prolegnas, this draft was not re-entered in the discussion list because it was previously rejected. In the PPATK Strategic Plan 2020-2024, it is also mentioned that although the PTUK Bill was proposed again in the 2019 Prolegnas, the discussion in parliament did not succeed in continuing.

The lack of political attention to the bill is one of the main reasons why it has not been passed. Referring to the 2020-2024 National Legislation Program (Prolegnas) document, the bill has not been consistently listed in the annual priority list discussed by the House of Representatives. This condition indicates a cautious attitude, or even a veiled rejection, towards the ratification of regulations that are considered to have a major impact on the activities of the wider community.

The Chairman of Commission III of the House of Representatives, Bambang Wuryanto, stated that the discussion of the Bill on the Restriction of Cash Money could complicate political activities because cash is still needed in political practices. He explained that the majority of people tend to consider material factors, such as the provision of basic necessities, rather than the competence of candidates, so cash is still needed to gain votes (Kompas.com, 2022).

Referring to the Draft Law, the maximum limit for cash transactions refers to the provisions in Law No. 8/2010, which stipulates that cross-border cash flows are limited to IDR100,000,000. However, there are a number of industrial sectors that are operationally dependent on the use of cash transactions. Therefore, PPATK together with Bank Indonesia set exceptions to certain types of transactions that are allowed to exceed the IDR100,000,000 limit. The transactions are in the form of:

- a. Transactions that financial service providers conduct with the government or central bank.
- b. Transactions between financial service providers in the context of their respective business activities.
- c. Transactions for cash withdrawals from banks for salary or pension payments.
- d. Transactions for payment of taxes and obligations to the state.
- e. Transactions for the sale and purchase of foreign currencies

- f. Transactions for areas that have not been touched by financial service providers.
- g. Transactions for placement or deposit to financial service providers.

Regulations related to cash transaction restrictions are intended to encourage efficiency in a financial transaction system that continues to develop quickly, sophisticated, and safe, strengthen the role of the banking sector in supporting the national economy, and strengthen the mechanism for preventing and combating criminal acts.

In comparison, several countries with relatively comparable geopolitical characteristics to Indonesia have implemented cash transaction limitation policies. Malaysia, for example, sets a maximum cash transaction limit of RM50,000, while the Philippines applies a limit of up to Php4,000,000. In India, the restriction applies to cash transactions with a maximum value of 200,000 Rupees. This cash transaction restriction policy reflects the commitment of these countries in efforts to eradicate corruption, money laundering, and funding of terrorism activities.

The implementation of a cash restriction policy requires an equitable digital payment infrastructure. In Indonesia, which consists of more than 17,000 islands with unequal levels of development between regions, equitable access to the internet, banking services, and electronic payment systems is still a major obstacle. According to the OJK report (2022), the national financial inclusion index has only reached 85.10%, but the financial literacy index is still at 49.68%, which shows the low level of public understanding of digital financial products and services. Without adequate infrastructure and literacy, the implementation of cash restrictions has the potential to create financial exclusion, especially for people in the 3T (Disadvantaged, Frontier, Outermost) areas (Financial Services Authority, 2022).

Indonesians still place great trust in the existence of physical money. Cash is seen as a more secure, tangible form of payment, and does not rely on technology that has the potential for disruption. Therefore, without thorough socialization and education, the policy of limiting the use of cash risks causing misunderstanding and rejection from the public.

PPATK has issued a Decree of the Head of PPATK containing guidelines for financial service providers (FSPs). This guideline was issued based on Presidential Regulation of the Republic of Indonesia Number 50 of 2011, with the aim of providing understanding and guidance to Financial Service Providers in identifying suspicious financial transactions appropriately, in order to produce quality Suspicious Financial Transaction Reports (LTKM). The enactment of Law No. 8/2010 on the Prevention and Eradication of Money Laundering that replaced the previous regulation has strengthened PPATK's position as an independent institution that is free from the intervention and influence of any party. In carrying



out its duties, any form of interference with PPATK's authority is expressly prohibited. PPATK is directly responsible to the President of the Republic of Indonesia and, as a form of accountability, prepares and submits reports on the implementation of its duties, functions and authorities periodically every six months to the President and the House of Representatives (Bakti et al., 2022).

There are two main functions that stand out in the efforts to eradicate corruption and money laundering crimes, namely the function to detect corruption and money laundering crimes and the function to support the law enforcement process related to corruption and money laundering crimes as well as predicate offences (Sutedi, 2008). In the implementation of the detection function, PPATK receives reports in the form of:

- a) Suspicious financial transaction reports submitted by Service Providers
- b) Reports submitted by Financial Service Providers on financial transactions carried out in cash in a cumulative amount of IDR 500 million or more (Article 1 point 8 and Article 13 of ML/TF)
- c) Reports submitted by the Directorate General of Customs regarding the carrying of rupiah cash into or out of the territory of the Republic of Indonesia in the amount of 100 million or more (Article 16 ML/TF).

Regulations related to restrictions on the use of cash in the Indonesian legal system are currently still at the planning stage, although the urgency is high. To encourage the ratification of the Draft Law on Restrictions on Cartal Money Transactions, strong political commitment and support from the wider community are needed to reduce the potential for financial crimes and strengthen the integrity of the national transaction system. The policy of limiting banknotes is expected to encourage a gradual shift in society towards the use of non-cash payment instruments. In addition, this regulation must be formulated by considering the principles of justice, legal certainty, and its contribution to improving the welfare of the community, all of which need to be reflected in the formulation of regulations on cash transaction restrictions (Sugianto, 2022).

### **3.2. Legal Construction Related to Cartal Money Restrictions in Supporting the Prevention and Eradication of Corruption Crimes**

The legal construction of cash restrictions in Indonesia is an integral part of efforts to prevent and eradicate corruption, designed to increase transparency and accountability in the financial system. Based on Transparency International's 2011 Global Corruption Perceptions Index and MasterCard Advisors' analysis, high cash transactions have a negative impact on the perception of corruption in a country. Cash transactions are at the root of many of the problems we face, including systemic and widespread corruption. However, not all cash transactions can be attributed to corruption. There are still many Indonesians, such as farmers who have just harvested, who have large amounts of cash and choose to keep it at home (Gunawan et al., 2013).

Research by several international organizations shows that restrictions on currency can reduce the potential for corruption. Countries that do not restrict currency transactions tend to have a higher risk of corruption (Hikmah, 2024). A number of banking institutions in Indonesia have stated that limiting currency transactions will effectively improve accountability, transparency, security, and convenience, while accelerating transaction efficiency. This encourages people to save and manage their finances better, and prevents money laundering while increasing the circulation of money in the economy. Restrictions on currency transactions also make it easier to trace the flow of funds in corruption cases, thereby reducing state losses. In addition, the policy of limiting the use of currency also strengthens the legal basis for combating corruption.

Philosophically, the policy of limiting the use of banknotes rests on the values of integrity, justice, and the rule of law, with the aim of narrowing the space for corrupt actors who often utilize cash because it is difficult to trace. Cash transactions are the main choice in corrupt practices such as bribery and money laundering due to the lack of digital traces and very small possibility of being traced, so the policy of limiting the use of cash is considered a very strategic step to create a more open and supervised financial system.

This philosophy is in line with the sustainable development goals, particularly in building effective and corruption-free institutions and governance, which emphasizes that cashless transactions support the principles of good governance (Husain, 2018). Thus, restrictions on cash are not only technical, but also have a moral vision to create a clean government and avoid corruption.

Juridically, there is no specific regulation in Indonesia regarding restrictions on transactions using cash. However, the government has proposed a Bill on the Limitation of Cartal Money Transactions (RUU PTUK) that aims to limit large cash transactions in order to prevent corruption and money laundering. In the bill, it is proposed that transactions with a nominal value above IDR 100,000,000 (one hundred million rupiah) must be carried out through non-cash mechanisms to improve financial transparency and accountability. The urgency of passing this bill is increasingly evident given the high rate of corruption in Indonesia, which often occurs through cash transactions.

The case of Zarof Ricar, the former Head of Balitbang of the Supreme Court, is a clear example of how cash is used as a medium of corruption on a large scale. Exposed as a case broker in a judicial mafia network in October 2024, Zarof allegedly collected gratuities in the form of money and gold during his tenure from 2012 to 2022, with nearly IDR 1 trillion in cash and 51 kg of gold found in his residence. The large amount of cash seized indicates how corruption done without cashless mechanisms is difficult to detect and can go on for years.

Another case that reflects the weakness of regulations related to cash transactions in the eradication of corruption is the case of Muhammad Tamzil, the former

Regent of Kudus, who was caught in a hand-catching operation (OTT) by the KPK in 2019. Tamzil allegedly received bribes in the form of cash from contractors who won goods and services procurement projects within the Kudus local government. The bribes were given to influence decisions regarding infrastructure projects managed by the district government, with the cash allegedly coming from third parties hoping to benefit from the projects. The use of cash in this political bribery demonstrates how corruption can operate without a digital footprint, making it difficult to identify and prove before the law.

These cases are clear evidence that large cash transactions are still a major loophole in corrupt practices in Indonesia. Without regulations that strictly limit cash transactions, the practice of bribery and gratuities will remain difficult to control. The cases described above show that corruption in the form of bribery, gratuities, and money laundering often utilize cash as the main medium because it does not require recording in the formal financial system and is difficult to trace.

By limiting cash transactions, the government seeks to narrow the gap for corruptors in conducting transactions that are difficult to detect by law enforcement officials. In addition, this bill is also in line with efforts to digitize the national financial system, where the use of non-cash transactions is increasingly encouraged to create a more transparent, efficient and secure financial ecosystem. Payment digitization not only serves as a corruption prevention tool, but also as a means of modernizing the economic system, where every transaction can be more easily monitored and analyzed by relevant authorities such as PPATK, KPK, and Bank Indonesia.

The draft law related to restrictions on cash transactions has not yet been passed in Indonesia, but there are related regulations that support indirect restrictions on cash transactions, namely Law No. 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes. With the enactment of Law No. 8/2010, corruption crimes can be accumulated with money laundering crimes (Waluyo, 2014). The title of the law contains two legal terms, namely prevention and eradication. This shows that the existence of the law is not only regulative, but also repressive, namely preventing the crime of money laundering.

Article 23 of Law No. 8/2010 states that financial service providers as referred to in Article 17 paragraph (1) letter a are required to submit reports to PPATK if there are cash transactions above IDR 500,000,000 (five hundred million rupiah), both in one transaction and accumulated in one working day. This regulation aims to monitor potentially suspicious fund flows related to corruption or money laundering. Unfortunately, Law No. 8/2010 only focuses on reporting obligations for financial service providers and certain parties conducting large transactions, as well as supervision by the Financial Transaction Reports and Analysis Center (PPATK) to detect indications of suspicious transactions.

In addition to regulations governing the obligation to report large cash transactions, every Bank Indonesia policy relating to financial transactions also always refers to the regulations stipulated by the organizers of Bank Indonesia regulations regarding fund transfers or remittances. In this case, the provisions contained in Law No. 3 of 2011 on Fund Transfers stipulate that customer profile becomes one of the important factors in monitoring transactions. If there are cash or non-cash transactions that exceed the set limits or do not match the profile that has been filled out by the customer, the bank is obliged to report this to PPATK because it potentially indicates suspicious activity. The report will then be traced further by PPATK to ascertain any indications of financial crimes, including corruption or money laundering. Thus, the applicable regulations not only serve to limit direct cash transactions, but also strengthen the monitoring and prevention system of financial crimes in Indonesia (Bakti et al., 2022).

There are also several other regulations that play a role in limiting cash transactions as part of corruption prevention strategies. One of them is Presidential Instruction (Inpres) No. 10/2016 on Corruption Prevention and Eradication Action, which encourages the implementation of non-cash transactions in state financial management, including in the procurement of government goods and services. This instruction emphasizes the importance of payment system digitization as a strategic step to reduce the potential for corruption that often occurs through the use of cash in government transactions. In addition, Government Regulation No. 99/2016 on the Carriage of Cash and/or Other Payment Instruments Into or Out of the Indonesian Customs Area also contributes to efforts to limit cash transactions.

This regulation requires reporting for individuals carrying IDR 100,000,000 (one hundred million rupiah) or more in cash out of or into Indonesia, in order to improve monitoring of the movement of cash that could potentially be used in corruption and money laundering. In the local government sector, there are also several regulations that support the implementation of non-cash transactions as an effort to prevent and eradicate corruption, which has also been strengthened since 2014, through the National Non-Cash Movement (GNNT) program initiated by Bank Indonesia. GNNT aims to reduce the use of cash in government financial transactions and accelerate the digitization of payment systems as part of corruption prevention efforts.

Various policy instruments underlie the implementation of non-cash transactions as an effort to prevent and eradicate corruption in local governments, including (Marina and Ritonga, 2020):

- a) Circular Letter of the Minister of Home Affairs No. 910/1866/SJ and No. 910/1867/SJ Dated April 17, 2017 on the Implementation of Non-Cash Transactions in Local Government.
- b) Presidential Instruction No. 10 of 2016 on Corruption Prevention and Eradication Actions in 2016 and 2017.

- c) Presidential Regulation No. 82 of 2016 on Financial Inclusion Strategy.
- d) Law No. 23 of 2014 concerning Regional Government Article 283 (paragraph 2) concerning Regional Financial Management is carried out in an orderly manner, obedient to the provisions of laws and regulations, efficient, economical, effective, transparent, and responsible with due regard to a sense of justice, compliance, and benefits for the community.

Some of the regulations that have been described do indirectly support restrictions on cash transactions in the context of efforts to prevent and eradicate corruption. However, until now there has been no specific regulation that explicitly regulates the nominal limit of cash transactions within the national scope. Therefore, the Draft Law on the Limitation of Cash Transactions (RUU PTUK) is an important part of establishing a firmer legal construction in dealing with the use of cash in large-value transactions.

The bill proposes that transactions with a nominal value above IDR 100,000,000 (one hundred million rupiah) must be conducted through a non-cash mechanism. The bill can increase accountability and improve the Indonesian economy by 7% (Hapsari, 2020). If passed, this regulation will narrow the space for cash-based corrupt practices, increase financial transparency, and strengthen legal instruments that support the prevention and eradication of corruption.

Efforts to limit currency transactions as part of the strategy to prevent and eradicate corruption can still be carried out through the mechanisms set out in the various regulations described above, especially in the government sector which has a high probability of corruption. According to Harkristuti Harkrisnowo, the perpetrators of corruption are not random people, but individuals who have access to corruption by abusing authority, utilizing existing opportunities, or using their means (Harkrisnowo, 2002). Therefore, restrictions on cash transactions not only aim to control the flow of money, but are also part of efforts to prevent abuse of power by those who have authority in the government system.

However, the ratification of the PTUK Bill is very necessary because the crime of corruption can be committed by anyone, not only by individuals who hold positions in government seats. In addition, the ratification of the PTUK Bill has various positive impacts, namely as follows:

- a) Increase transparency and accountability by ensuring all transactions are well documented.
- b) Discourage the practice of money laundering as well as bribery and gratuities, which are often done with cash, making them difficult to trace.
- c) Strengthening the efficiency and security of the financial system through digitization that accelerates and secures economic activity.
- d) Preventing corruption due to misappropriation of funds by limiting the circulation of cash which is difficult to monitor, and making it easier for

investigators to investigate the flow of corruption funds to their roots, thus minimizing state losses.

Restrictions on currency transactions in the context of corruption eradication not only serve as a preventive measure, but also strengthen legal instruments in cracking down on financial crimes. Regulations related to cash restrictions play an important role in creating a more transparent and accountable financial system, while limiting the space for corrupt actors to hide the proceeds of their crimes. In addition, the implementation of restrictions on banknote transactions is closely linked to other legal instruments governing the fight against corruption. The combination of these policies strengthens supervisory mechanisms in the banking system and financial transactions, so that any flow of funds can be more easily traced and monitored.

Furthermore, cash restrictions as part of anti-corruption strategies need to be supported by adequate digitalization systems. Advances in financial technology, including electronic payment systems and increased access to digital banking services, play a key role in ensuring that currency restrictions do not create barriers to legal economic activity. With effective implementation, this regulation not only impacts the fight against corruption, but also promotes financial inclusion and strengthens more modern and efficient economic governance. However, in its implementation, the cash restriction policy requires support from various stakeholders, including financial authorities, law enforcement agencies, and the wider community. Good socialization of the benefits of this regulation, as well as consistent law enforcement, will ensure its effectiveness in curbing corruption while building a cleaner and more transparent financial system.

The author argues that the restriction of cash is a crucial step in preventing corruption because cash transactions are difficult to track and prone to misuse. However, until now the PTUK Bill has not been passed because the DPR argues that large amounts of cash are still needed for political practices. The author sees this reason as a political obstacle that overrides the urgency of eradicating corruption. Limiting currency notes can be an important instrument to suppress money politics while strengthening transparency in the state financial system. Therefore, this regulation should be implemented immediately to support cleaner and more accountable governance.

#### **4. Conclusion**

Indonesia does not yet have a specific law that comprehensively regulates restrictions on cash transactions. The existing regulations are still scattered in various regulations and do not cover all the necessary aspects, such as in Law No. 23 of 1999 jo. Law No. 7/2011, Law No. 8/2010, Government Regulation No. 99/2016, and technical guidelines from PPATK. Although the Bill on the Limitation of Cartal Money Transactions (RUU PTUK) has entered the National Legislation



Program several times, there has not been sufficient political commitment to push for its enactment.

Limiting cash transactions is an important strategy in supporting the prevention and eradication of corruption in Indonesia. The use of large amounts of cash is often used for bribery, gratuities, and money laundering because it is difficult to trace. The Bill on the Limitation of Cash Transactions (RUU PTUK) is a crucial step in strengthening transparency, accountability, and digitalization of the national financial system, as well as supporting the realization of a clean government.

Thus, the government and the House of Representatives need to establish the Bill on Limiting Cartal Money Transactions as part of the legislative priorities. It is also necessary to accelerate and equalize the development of digital payment infrastructure, especially in unreached areas, along with increasing public literacy regarding the benefits of non-cash transactions. In addition, collaboration between institutions such as PPATK, OJK, and related agencies needs to be strengthened so that the implementation of regulations runs optimally in supporting efforts to eradicate corruption and strengthen the national financial system.

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