

PROCEDURAL APPLICATION OF KNOW YOUR CUSTOMER BY NOTARY

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ABSTRACT

Money laundering poses significant threats to economic stability and the integrity of financial and legal systems. As part of the anti-money laundering framework, notaries in Indonesia are required to implement the Know Your Customer (KYC) principle when providing certain legal services. This study aims to analyze the legal framework and procedural implementation of KYC by notaries in accordance with applicable regulations. This research employs a normative legal research method, using a statutory approach to examine relevant laws and regulations. The findings show that KYC implementation by notaries involves several stages, including client identification, verification of information and documents, risk assessment of clients and beneficial owners, transaction monitoring, record-keeping, and reporting suspicious financial transactions to the Financial Transaction Reports and Analysis Center (PPATK). Through these procedures, notaries play an important role as gatekeepers, helping prevent money laundering and strengthening transparency and accountability within the legal system.

Keywords: *Know Your Customer; Notary; Customer Due Diligence.*

INTRODUCTION

Money laundering is an extraordinary crime in the financial sector with far-reaching impacts. It not only causes losses to the state but also threatens both national and global economic stability.¹ This crime can encourage the growth of predicate offenses, as perpetrators may feel secure in continuing their illegal activities, believing that the proceeds of their crimes can be “laundered” and made to appear legitimate. This situation creates a chain effect that harms society more broadly. The circulation of illicit funds within the economy can widen economic inequality, as wealth becomes concentrated among those who obtain financial gains through unlawful means. As a result, social disparities increase and income distribution becomes less balanced. In addition, the economic distortions caused by money laundering may influence the prices of goods and services, ultimately contributing to a higher cost of living for the public.

Given the significant impact of money laundering at both the national and global levels, comprehensive oversight and regulation by the state are necessary. As part of its commitment to preventing and combating this crime, Indonesia enacted Law Number 8 of 2010 on the Prevention and Eradication of Money Laundering (hereinafter, the “Anti-Money Laundering Law”), which entered into force on 22 October 2010. This law replaced Law Number 15 of 2002 on Money Laundering, as amended by Law Number 25 of 2003, which amended Law

¹Yoga Sugama Ali Fhatnur, “Dynamics and Strategies of Money Laundering Law Enforcement in Indonesia,” *Indonesian Journal of Law and Economics Review* 19, no. 2 (May 2024): 7.

Number 15 of 2002 on Money Laundering. The enactment of the Anti-Money Laundering Law was intended to strengthen Indonesia's anti-money laundering regime and to ensure that the legal framework keeps pace with the increasingly complex nature of financial crimes.

One of the key aspects regulated under the Anti-Money Laundering Law, as part of the efforts to prevent and combat money laundering, is the implementation of the Principle of Knowing the Service User (*Prinsip Mengenali Pengguna Jasa/PMPJ*). This principle essentially reflects the internationally recognized Know Your Customer (KYC) concept, which refers to a set of procedures designed to ensure that financial institutions obtain sufficient information about their customers. Such information generally includes the identity of the service user, the source of the funds used, and the purpose of the transactions carried out.²

The obligation to implement the Principle of Knowing the Service User (PMPJ) is imposed on reporting parties, namely any persons or entities required to submit reports on suspicious financial transactions to the Financial Transaction Reports and Analysis Center (*Pusat Pelaporan dan Analisis Transaksi Keuangan/PPATK*).³ The specific provisions governing the implementation of PMPJ are regulated by the respective supervisory and regulatory authorities overseeing each reporting party. However, at a minimum, the implementation of PMPJ must include three stages: the identification of the service user, the verification of the service user, and the monitoring of the service user's transactions by the reporting party.⁴

According to Article 17 paragraph (1) of the Anti-Money Laundering Law, reporting parties include financial service providers as well as providers of other goods and/or services, such as property companies, motor vehicle dealers, and gemstone traders.⁵ The scope of reporting parties was later expanded through Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering, which also includes several professional groups, namely advocates, notaries, Land Deed Officials (PPAT), accountants, public accountants, and financial planners.⁶ This expansion was introduced because these professions are considered vulnerable to being used by money laundering perpetrators, particularly due to the existence of professional confidentiality obligations in their relationships with service users.⁷

With notaries included as one of the reporting parties within the anti-money laundering regime, notaries are required to implement the Principle of Knowing the Service User (PMPJ) in the provision of their services to clients. The implementation of this principle is not merely administrative in nature, but also requires a systematic procedure to ensure the identity of the service user, understand the purpose of the legal relationship being established, and assess the potential risk of money laundering. In practice, this procedure generally involves several stages, including identifying the service user, verifying the accuracy of the information provided, and monitoring the business relationship or transactions carried out by the service user. Accordingly, the following discussion outlines the procedures for implementing the Principle of Knowing the Service User (PMPJ) by notaries in accordance with the applicable regulatory framework.

²Bob Ben Salomoan Silalahi et al., "Legal Aspects of the Implementation of the Know Your Customer (KYC) Principle in Banking Institutions," *Media Hukum Indonesia* 2, no. 6 (May 2025): 399.

³Indonesia, *Law Number 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering* (State Gazette of the Republic of Indonesia Year 2010 No. 122, Supplement to the State Gazette of the Republic of Indonesia No. 5164), Article 1 point 11.

⁴*Ibid.*, Article 18 paragraphs (2) and (5).

⁵*Ibid.*, Article 17 paragraph (1).

⁶Indonesia, *Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering* (State Gazette of the Republic of Indonesia Year 2015 No. 148, Supplement to the State Gazette of the Republic of Indonesia No. 5709), Article 3.

⁷*Ibid.*, General Explanation Section I.

METHOD

This research employs a normative legal research method. According to Muhaimin in his book *Metode Penelitian Hukum*, normative legal research is defined as: “Normative legal research is a research process aimed at examining and analyzing law as norms, rules, legal principles, legal doctrines, legal theories, and other legal literature in order to address the legal issues being studied.”⁸

The data used in this research consist of secondary data, including primary, secondary, and tertiary legal materials. Primary legal materials consist of legislation relevant to the main issues of the research. Secondary legal materials include the opinions of scholars obtained from books, academic journals, and other scholarly literature. Meanwhile, tertiary legal materials include dictionaries that provide additional clarification of terms. All of this secondary data was collected through a literature review of various sources related to the research topic.

The statutory approach involves examining and analyzing relevant laws and regulations to address the legal issues under study. The data are then analyzed using a qualitative method.

ANALYSIS AND DISCUSSION

Based on Articles 3 and 4 of Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering, notaries are classified as reporting parties and are therefore required to implement the Principle of Knowing the Service User (PMPJ). In their capacity as reporting parties, notaries are obligated to submit reports to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), an independent institution established to prevent and combat money laundering.⁹ These reports relate to suspicious financial transactions, which include:¹⁰

1. financial transactions that deviate from the profile, characteristics, or usual transaction patterns of the client concerned;
2. financial transactions that are reasonably suspected to be carried out by a client for the purpose of avoiding the reporting obligations imposed on reporting parties;
3. financial transactions that are carried out or attempted to be carried out using assets suspected to originate from criminal activities; or
4. financial transactions that, upon request of the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), must be reported by a notary because they involve assets suspected to originate from criminal activities.
5. Article 1, point 2, of Government Regulation Number 61 of 2021 concerning Amendments to Government Regulation Number 43 of 2015 on Reporting Parties in the Prevention and Eradication of Money Laundering regulates the scope of notarial services that form the basis for notaries' obligation to implement the Principle of Knowing the Service User (PMPJ). This provision specifically limits the obligation of notaries to apply PMPJ only to certain activities, namely when notaries provide services related to:¹¹

⁸Muhaimin, *Legal Research Methods*, 1st ed. (Mataram: Mataram University Press, 2020), 47–48.

⁹Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering, Loc. Cit., Articles 3 and 4.

¹⁰Law Number 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering, Op. Cit., Article 1 point 5.

¹¹Indonesia, *Government Regulation Number 61 of 2021 concerning Amendments to Government Regulation Number 43 of 2015 concerning Reporting Parties in the Prevention and Eradication of Money Laundering* (State Gazette of the Republic of Indonesia Year 2021 No. 100, Supplement to the State Gazette of the Republic of Indonesia No. 6680), Article 1 point 2.

1. the purchase and sale of property, including land, buildings, as well as facilities and/or infrastructure that constitute an inseparable part of the land and/or buildings;
2. the management of money, securities, and/or other financial service products;
3. the management of current accounts, savings accounts, deposit accounts, and/or securities accounts;
4. the operation and management of companies; and/or
5. the establishment, purchase, and sale of legal entities.

Furthermore, the Principle of Knowing the Service User (PMPJ) must be implemented by notaries when establishing a business relationship with a client; when there is a financial transaction in Indonesian rupiah and/or foreign currency with a value of at least or equivalent to IDR 100,000,000; when there is a suspicious financial transaction suspected to be related to money laundering or terrorist financing; or when the notary has doubts regarding the accuracy or validity of the information provided by the client.¹²

More detailed provisions regarding the mechanism for implementing the Principle of Knowing the Service User (PMPJ) by notaries are regulated in regulations issued by the Ministry of Law and Human Rights, as well as in the Circular Letter of the Ministry of Law and Human Rights Number AHU.UM.01.01-1232 concerning the Guidelines for the Implementation of the Principle of Knowing the Service User for Notaries. In principle, the implementation of PMPJ by notaries is based on a risk-based approach. This approach requires that the policies and procedures adopted be adjusted to the level of risk related to money laundering and terrorist financing. When the level of risk is high, notaries are required to apply stricter, more comprehensive measures. Conversely, where the level of risk is considered low, the implementation of policies and procedures may be carried out in a simpler manner, without disregarding the principle of prudence.¹³

Article 2 paragraph (2) of the Minister of Law and Human Rights Regulation provides that the implementation of the Principle of Knowing the Service User (PMPJ) must at least include the stages of client identification, client verification, and the monitoring of transactions carried out by the client.¹⁴ These provisions are further elaborated in the Circular Letter of the Ministry of Law and Human Rights Number AHU.UM.01.01-1232 concerning the Guidelines for the Implementation of the Principle of Knowing the Service User for Notaries, which outlines the steps for implementing PMPJ as follows:¹⁵

Identification of the notarial services used by the client

The initial stage in implementing the Principle of Knowing the Service User (PMPJ) is identifying the type of notarial service requested by the client. At this stage, the notary assesses whether the service requested falls within the scope of activities that require the application of PMPJ, such as the purchase and sale of property, the management of money, securities, and/or other financial service products, the operation and management of companies, as well as the establishment, purchase, and sale of legal entities.

Once the type of notarial service used by the client has been determined, the notary establishes the appropriate time to implement PMPJ. This determination is made in accordance

¹²Indonesia, *Regulation of the Minister of Law and Human Rights Number 9 of 2017 concerning the Application of the Principle of Recognizing Service Users for Notaries* (State Gazette of the Republic of Indonesia Year 2017 No. 1087), Article 2 paragraph (4)

¹³Indonesia, *Circular Letter of the Ministry of Law and Human Rights Number AHU.UM.01.01-1232 concerning Guidelines for the Implementation of the Principle of Recognizing Service Users for Notaries*, Background.

¹⁴Regulation of the Minister of Law and Human Rights Number 9 of 2017 concerning the Application of the Principle of Recognizing Service Users for Notaries, Loc. Cit., Article 2 paragraph (2).

¹⁵Circular Letter of the Ministry of Law and Human Rights Number AHU.UM.01.01-1232 concerning Guidelines for the Implementation of the Principle of Recognizing Service Users for Notaries, Op. Cit., point 6.

with Article 2, paragraph (4) of the Minister of Law and Human Rights Regulation, which sets out specific conditions that require the application of PMPJ, as previously described.

Communication with the client

At this stage, the notary is required to inform the client that certain information must be collected for the purposes of identifying and verifying the service user, as regulated under the Minister of Law and Human Rights Regulation. This communication is intended to ensure that the client understands the legal basis and the purpose of implementing the Principle of Knowing the Service User (PMPJ).

The notary must also ascertain the client's position in the transaction, namely, whether the client is acting for and on behalf of themselves or as a beneficial owner. A beneficial owner refers to any person who, directly or indirectly, has rights to and/or receives certain benefits from a client's transaction, is the actual owner of the assets related to the transaction, exercises control or grants authority over the execution of the transaction, controls a corporation, and/or acts as the ultimate controlling party of a transaction conducted through a legal entity or based on an agreement.

In implementing PMPJ, the notary must also fully understand the client's profile, the purpose and nature of the business relationship, and the characteristics of the transactions carried out by the client and/or the beneficial owner. Based on this profile information, the notary classifies the client as an individual, a corporation, or another legal arrangement.

If the client refuses to comply with the requirements for implementing PMPJ, the notary must take steps to terminate the business relationship with the client and submit a report to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) no later than three days after the termination.

Risk analysis of the client and/or beneficial owner

At this stage, the notary determines the level of risk related to money laundering and terrorist financing by analyzing several factors, namely the client's profile, the client's business activities, the relevant country or region, and the type of notarial services used.

a. Client profile

The notary groups clients based on their profiles and assigns a risk level to each group. This assessment may consider factors such as the most common client profiles encountered, those frequently reported in suspicious transaction reports to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), or those often subject to information requests from competent authorities.

b. Client's business activities

The notary also assesses risk based on the client's line of business. This assessment considers the characteristics of the client's business sector, including sectors that most frequently use notarial services, sectors commonly reported in suspicious transaction reports to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), or sectors that are often subject to clarification or information requests by authorities.

c. Country or region

Risk assessment may also be based on client-specific geographical factors. The notary may consider the client's domicile, nationality, the locations where transactions commonly take place, and countries or regions frequently associated with suspicious financial transactions or requests for information from authorities.

d. Notarial products or services

The notary also classifies the types of notarial services provided and determines the level of risk associated with each service. This assessment may consider the services most frequently requested by clients, services often linked to suspicious transaction reports to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), or services that are often subject to information requests by authorities.

In conducting this risk assessment, the notary must also consider national and sectoral risk assessments, including the National Risk Assessment (NRA), Sectoral Risk Assessment (SRA) issued by relevant ministries or authorities, and terrorist financing risk assessments issued by the Ministry of Law.

Based on these considerations, the notary classifies the client and/or beneficial owner into low-, medium-, or high-risk categories. The notary's risk tolerance (risk appetite) should be reviewed and updated periodically, or adjusted when there are changes in the level of threats and vulnerabilities in notarial practice.

Implementation of PMPJ procedures based on risk level

The implementation of PMPJ procedures is carried out by considering the level of risk related to money laundering and/or terrorist financing associated with the client. The procedures include three main stages: identification, verification, and monitoring of transactions.

a. Identification of the client and/or Beneficial Owner (BO)

The identification stage involves requesting and collecting information and supporting documents related to the client and/or the beneficial owner (BO).

The identification process is carried out as follows:

- If the client acts on their own behalf, identification is conducted only for the client.
- If the client acts for and on behalf of a beneficial owner, identification must be conducted for both the client and the beneficial owner.

The identification process takes into account the risk level previously assigned to the client.

1) Low-risk clients and/or beneficial owners

For clients classified as low risk, notaries may apply a simplified customer due diligence procedure in accordance with Article 16 of the Minister of Law and Human Rights Regulation. The minimum information required includes:

- Individuals: full name, identity document (such as ID card, driver's license, or passport), place and date of birth, and residential address.
- Corporations: address, telephone number, and identity documents of the person authorized to act on behalf of the corporation.
- Other legal arrangements: type of legal arrangement, address of the party managing the assets, and identity documents of the person authorized to act on behalf of the asset owner.

Simplified due diligence cannot be applied if there is a suspicion of money laundering or terrorist financing, or if the client's risk level increases to medium or high risk. Notaries must also maintain a list of low-risk clients.

2) Medium-risk clients and/or beneficial owners

For clients classified as medium risk, notaries must apply a more comprehensive identification procedure than that used for low-risk clients.

Additional information is required, such as:

- Individuals: nationality, current address and phone number (if available), address in the country of origin for foreign nationals, occupation, source of funds, purpose of the transaction, tax identification number (NPWP), and signature specimen.

- Corporations: approval or registration documents, type of corporation, business sector, business license number, source of funds, purpose of the transaction, beneficial owner information, and NPWP.
- Other legal arrangements: name and license information, address of establishment, source of funds, purpose of the transaction, beneficial owner information, NPWP, information on the person authorized to act on behalf of the arrangement, proof of establishment and registration, signature specimen, power of attorney (if applicable), and identity documents of the authorized representative.

Furthermore, to fulfill the obligation related to beneficial owner (BO) information of a corporation, the notary must obtain the relevant data by collecting information and/or taking other necessary steps to identify the individual who ultimately controls and/or benefits from the corporation, either directly or indirectly. If information regarding the corporation's beneficial owner cannot be obtained, the notary may designate the individual who holds a position as a director, or an equivalent managerial position within the corporation, as the beneficial owner.¹⁶

In addition to the information mentioned above, the notary must also obtain supporting documents when the client is a corporation. The required documents depend on the type and characteristics of the corporation, such as micro and small enterprises, foundations, associations, and other types of corporations. If the corporation is a financial service provider, the required documents must also follow the specific regulations applicable to that sector.

For Micro and Small Enterprises, the supporting documents generally include a signature specimen, a copy of the power of attorney, the tax identification number (NPWP) of the authorized representative, a business license or other documents issued by the competent authority, and the identity document of the authorized representative.

For Foundations, the documents include the decree of legalization of the foundation, permits related to its field of activities, NPWP, a description of its activities, the names of its governing organs, and the identity documents of the person authorized to represent the foundation.

For Associations, the required documents include the decree of legalization of the association, the names of the management board, and the identity documents of the person authorized to represent the association.

For other corporations, the supporting documents generally include a signature specimen, a copy of the power of attorney, NPWP, a business license or other required permits, financial statements or a description of business activities, the corporation's management structure, ownership structure, and the identity documents of the authorized representative.

If the corporation is a financial service provider, the documents include the deed of establishment and/or articles of association, a business license from the competent authority, and a signature specimen with a power of attorney.

3) High-risk clients and/or beneficial owners

If a client and/or beneficial owner (BO) is classified as high risk, the notary must apply enhanced due diligence procedures. High-risk clients generally include Politically Exposed Persons (PEPs) and clients who conduct transactions from or to high-risk countries.

A Politically Exposed Person (PEP) is an individual who holds or has held a public position in legislative, executive, or judicial institutions, in a foreign jurisdiction, or in an international organization.¹⁷ For example, a former president may be categorized as a PEP.

¹⁶Regulation of the Minister of Law and Human Rights Number 9 of 2017 concerning the Application of the Principle of Recognizing Service Users for Notaries, Op. Cit., Article 8.

¹⁷*Ibid.*, Article 1 point 10.

The PEP category also includes family members up to the second degree and individuals with close relationships to the PEP.

In applying enhanced due diligence, the notary must obtain additional information and documents, including information on the source of wealth.

In addition, enhanced due diligence also involves:

- a) closer monitoring of the business relationship and transaction patterns that require further review; and
- b) Repeated identification procedures until the notary obtains sufficient assurance regarding the accuracy and reliability of the information provided by the client and/or the beneficial owner.

b. Verification of the client and/or Beneficial Owner (BO)

The notary verifies the formal accuracy of the information and documents obtained during the identification stage before establishing a business relationship with the client. For this purpose, the notary may request additional information from the client through interviews and may also confirm the documents with the relevant authorities. For example, verification may be carried out by accessing electronic identity card (e-KTP) data through the Ministry of Home Affairs or by requesting supporting documents issued by competent authorities.

In certain situations, the notary may establish a business relationship or carry out a transaction before the verification process is fully completed, provided that adequate risk management procedures have been applied. In such cases, the verification process must be completed as soon as possible after the business relationship begins.

If, during the verification process, the notary doubts the accuracy of the information or documents provided by the client, the notary must:

- 1) terminate the business relationship with the client; and
- 2) Submit a report to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) no later than three days after the termination of the business relationship.

c. Monitoring of client transactions

The notary must monitor the transactions carried out by the client within the scope of the notarial services provided. This monitoring is conducted through the following procedures:

- 1) reviewing the payment mechanism of the transaction, whether conducted in cash or non-cash, including the parties involved, the transaction value, and the timing of the transaction; and
- 2) updating the client's data, information, and/or supporting documents when there are relevant changes.

Record-keeping of documents

The notary must maintain proper records of all documents related to the implementation of PMPJ in accordance with applicable laws and regulations, or for at least five years after the end of the business relationship with the client. The documents that must be maintained include at least:

- a. documents related to the client's transactions;
- b. documents of the client and the beneficial owner (BO) obtained during the implementation of PMPJ; and
- c. correspondence between the notary and the client.

These documents may be stored in original, copy, electronic, microfilm, or other forms recognized as valid evidence under applicable laws and regulations.

If documents or information are requested by the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) or other competent authorities, the notary must provide the requested documents and information within three days from the receipt of the official request.

In practice, these documents are attached to the minute deed and kept as part of the notary protocol. Therefore, if PPATK requests information regarding a client suspected of being involved in a criminal offense, such as corruption, the notary may review the relevant minute deed and provide the PMPJ information to PPATK in accordance with the applicable regulations.¹⁸

In addition, the notary must maintain a record-keeping and transaction information system for business relationships within the scope of notarial services, whether manual or electronic. This system should be able to identify, monitor, and provide reports on the characteristics of the client's transactions. For high-risk clients, the notary must also prepare a document analyzing the reasonableness of the client's transactions.

Updating information and/or documents

If the notary becomes aware of any changes to the client's information, the notary must update the relevant information and/or supporting documents. Such changes may be known either from information provided directly by the client or from other reliable sources. The notary must also properly maintain the documents resulting from this updating process as part of the PMPJ documentation.

Reporting to PPATK

A notary must submit a report to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) under certain circumstances. These include situations in which the notary terminates the business relationship with a client because the client refuses to comply with the PMPJ procedures, the notary doubts the accuracy or reliability of the client's information, or the notary stops the PMPJ process because continuing it may violate the prohibition on tipping off. A report must also be submitted if, during the implementation of PMPJ, the notary identifies a suspicious financial transaction involving the client.

Notaries are required to report suspicious financial transactions to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) through the goAML application.¹⁹ The goAML application is an information system developed by the United Nations Office on Drugs and Crime (UNODC) and is used by financial intelligence units in member states of the United Nations.²⁰

The obligation and procedures for submitting suspicious financial transaction reports through the goAML application are regulated in detail under Regulation of the Financial Transaction Reports and Analysis Center Number 3 of 2021 concerning Procedures for Submitting Suspicious Financial Transaction Reports through the goAML Application for Professions.

Based on Article 26 paragraph (2) of the Regulation of the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), the reporting of suspicious financial transactions by a notary is carried out by:²¹

- a. entering the report directly into the goAML application; or

¹⁸Rina Dewi Sartika Siahaan and Muhsin Lambok Ilvira, "Notary Liability in Reporting Suspicious Financial Transactions through the GoAML Application in Preventing and Combating Money Laundering," *Jurnal Mimbar Ilmu Hukum* 1, no. 1 (March 2023): 68.

¹⁹*Ibid.*, 59.

²⁰Indonesia, *Regulation of the Financial Transaction Reports and Analysis Center Number 3 of 2021 concerning Procedures for Submitting Suspicious Financial Transaction Reports through the GoAML Application for Professions* (State Gazette of the Republic of Indonesia Year 2021 No. 72), Article 1 point 16.

²¹*Ibid.*, Article 26 paragraph (2)..

b. uploading the report in XML format.

In addition to electronic reporting, a notary may submit reports non-electronically to the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK) as provided under Article 30 of the PPATK Regulation in the following circumstances:²²

- a. Electronic reporting communication facilities are not available in the notary's area;
- b. The notary's communication facilities experience technical disruptions;
- c. a force majeure event or other conditions prevent the notary from submitting the report electronically; and/or
- d. The reporting system at PPATK is experiencing technical issues or outages.

In such cases, the report is submitted as XML data records generated from the notary's database and stored on a compact disk, flash drive, or other electronic storage media. The report may be delivered by courier, via a delivery service, or submitted directly to the PPATK office. After sending the report, the notary must notify PPATK through the message board feature in the goAML application.

Furthermore, reports submitted must be corrected if errors are identified, whether originating from the notary, the Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), or due to rejection by the reporting system. The corrections must be carried out as follows:

- a. Errors identified by the notary must be corrected by submitting a new report that includes the number of the previous report, no later than three working days after the error is discovered.
- b. Errors identified by PPATK must be corrected by submitting a new report that clearly states that it is a correction of the previous report, no later than three working days after the notary receives notification from PPATK through the message board in the goAML application.
- c. Automatic rejection by the goAML system must be corrected by revising or adjusting the report in the system no later than three working days after the rejection.

CONCLUSION

The implementation of the *Know Your Customer* (KYC) principle by notaries is an important mechanism for preventing and combating money laundering within the legal and financial systems. As reporting parties under the anti-money laundering regime, notaries are required to apply the KYC principle when providing certain notarial services, particularly those related to property transactions, the management of financial assets, corporate management, and the establishment or transfer of legal entities. This obligation is grounded in various legal instruments, including Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering, Government Regulation Number 43 of 2015 as amended by Government Regulation Number 61 of 2021, and the Regulation of the Minister of Law and Human Rights Number 9 of 2017 regarding the application of the principle of recognizing service users for notaries.

In practice, notaries implement KYC using a structured, risk-based approach. The process begins with identifying the type of notarial service requested by the client and communicating the legal basis and objectives of KYC to the client. Subsequently, the notary conducts identification and verification of the client and, where applicable, the beneficial owner, followed by an assessment of the level of risk associated with the client and the transaction. Based on the results of this assessment, the notary applies appropriate due diligence measures, ranging

²²*Ibid.*, Article 30.

from simplified procedures for low-risk clients to enhanced due diligence for high-risk clients, including politically exposed persons or transactions involving high-risk jurisdictions.

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