ENHANCING TRANSPARENCY AND ACCOUNTABILITY: AN OVERVIEW OF BENEFICIAL OWNERSHIP IN INDONESIA

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A Beneficial Owner is an individual who can appoint or dismiss directors, commissioners, managers, or supervisors of a Corporation, has the ability to control the Corporation, is entitled to and/or receives benefits from the Corporation either directly or indirectly, is the actual owner of the funds or shares of the Corporation, and/or meets the criteria as stipulated in this Presidential Regulation.

PRESIDENTIAL REGULATION 13/2018 ON THE IMPLEMENTATION OF THE PRINCIPLE OF IDENTIFYING BENEFICIAL OWNERS OF CORPORATIONS FOR THE PURPOSES OF PREVENTING AND ERADICATING MONEY LAUNDERING AND TERRORISM FINANCING
THE URGENCY

LAW ENFORCEMENT
Transparency of BO will prevent criminal activities such as money laundering, terrorism financing, corruption, and other corporate violations.

PROTECT THE BUSINESS
Knowing who the actual business controllers or behind-the-scenes actors of a corporation are important for business environment.

JOINING FATF
One of the requirements to join the FATF (Financial Action Task Force) is by having an effective legal framework on BO.
MOLHR serves as Indonesian Corporate Register. Since 2018, the MOLHR manages BO data for all types of corporations in Indonesia electronically. Hence, MOLHR also manages BO information.

Multiple law enforcement agencies (LEAs) and other competent authorities (CAs) can access MOLHRs' BO data very quickly through data integration. Additionally, MOLHRs' BO data is also widely accessible to the public.
5 KEY ASPECTS OF BO IN ASSET TRACING

INCREASING % OF BO DECLARATION
All of the corporations must declare their BO.

ACCURACY MATTERS
Having multiple verification mechanisms ensures the accuracy of BO information.

INTERNATIONAL COOPERATION
International collaboration is key for successful asset tracing and recovery in corruption cases.

ONLINE BO DATA IS A MUST
BO declaration must utilize technology.

SHARING INFORMATION
Sharing BO between LEAs and CAs information can facilitate asset tracing and recovery.
LIST OF CORPORATIONS THAT HAVE NOT REPORTED BENEFICIAL OWNERS

Limited Liability Company | Individual Company | Foundation | Association | Koperasi
CV | Signature | Civil Fellowship

Limited Liability Company Name

737,250 unreported Limited Liability Companies
Showing 1-10 of 10 Items

01
BLACKLIST
The "black list" is a publicly accessible website that contains list of non-compliant corporations.

02
BLOCKING
Blocking sanctions means restricting corporations' ability to modify their article of association, structure, management, and ownership in our system.
THE ACCURACY

Indonesia ensures the accuracy of BO data on corporations through the obligation of BO identification by corporate internals, and through Customer Due Diligence by Notaries.

This is necessary to ensure that BO data at the MOLHR is accurate.
DATA SHARING MECHANISM

DATA INTERCONNECTION
The Corporation Data (including BO) can be accessed through data interconnection.

USER ACCOUNT
MOLHR gives user account to LEAs or CAs to our database.

CONVENTIONAL CORRESPONDENCE
LEAs & CAs may also request corporation data through correspondence.
CORPORATION ONLINE
DATA INTERCONNECTION

DATA INTERCONNECTION
WITH LEAs & CAs

<table>
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<tr>
<th>LEAs</th>
<th>CAs</th>
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| 1. Indonesian National Police  
2. Attorney General Office  
2. Ministry of Finance (Customs Office & Tax Office)  
3. Ministry of the State Secretariat  
4. Ministry of Agriculture  
5. Ministry of Energy and Mineral Resources  
6. Ministry of Land Affairs  
7. Ministry of Internal Affairs  
8. Ministry of Social Affairs  
9. National Procurement Office  
10. Supreme Audit Board  
11. INTRAC (Indonesian FIU) |
We often find that BO information in our system is randomly submitted and irresponsibly altered.

The Indonesian legal system does not specifically attribute criminal responsibility to BO in cases of wrongdoing by corporations.

Since BO was introduced in 2018, the understanding of BO in Indonesia remains low.
UPCOMING PLAN

MORE VERIFICATION

To improve accuracy, MOLHR will implement robust BO verification for corporation based on risk assessment using online questionnaire. If necessary, MOLHR may conduct on-site supervision. Currently, the verification only conducted by The Notary.

MORE INTEGRATION

To ensure the utilization, The electronic BO data of the MOLHR will be integrated with more CAs. Including Procurement Office & Ministry of Investment to ensure the accuracy of the BO data from various institutions, and also to ensure utilization of BO information.

MORE OUTREACH

To improve public understanding, MOLHR will continue to conduct outreach regarding BO in Indonesia.
Various competent authorities have noted that BO information obtained in the registry managed by MOLHR has been useful in their ML/TF investigations.

TERIMA KASIH!

Thank you!