



Systemic Failures and Reform Pathways in SOE Corruption Restitution: A Utilitarian Justice Perspective

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Abstract

Research Objective: This study analyzes the effectiveness of state loss restitution in State-Owned Enterprise (SOE) corruption cases in Indonesia, employing utilitarian justice theory to diagnose barriers impeding asset recovery and to formulate a comprehensive utility-based reform framework. **Research Method:** An empirical juridical methodology with a descriptive-analytical qualitative approach was adopted, drawing upon court decisions, statutory instruments, institutional reports, and comparative international data from 212 SOE corruption cases documented by Indonesia Corruption Watch (ICW) between 2016 and 2023. **Results:** Aggregate state losses reached IDR 64 trillion (approximately USD 4 billion), yet asset recovery averaged merely 10.1% annually, well below international benchmarks, revealing five interconnected systemic failure dimensions. **Findings and Implications:** The identified failures encompass normative gaps in Article 18 of the Anti-Corruption Law, compounded by Law No. 1 of 2025 on SOEs; fragmented institutional coordination; weak digital forensic capacity; inadequate whistleblower protection; and the absence of non-conviction-based asset forfeiture mechanisms. These findings carry implications beyond Indonesia, extending to emerging-economy jurisdictions facing analogous SOE governance challenges. **Conclusion:** Ineffective restitution reflects systemic failure rooted in regulatory deficiencies, inter-institutional discoordination, and the absence of adequate legal instruments, necessitating a comprehensive, coordinated multi-pillar reform approach. **Contribution:** This study advances a utility-based restitution framework that repositions asset recovery as a social welfare instrument rather than mere fiscal accounting, encompassing regulatory reconstitution, establishment of an Asset Recovery Agency, blockchain-integrated monitoring, strengthened international mutual legal assistance, and public-benefit earmarking of recovered assets. **Limitations and Suggestions:** Reliance on publicly available documents potentially omits undocumented cases, while the qualitative approach limits statistical generalizability. Future research should pursue cross-country empirical comparisons, concrete

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blockchain-based monitoring pilots, and a systematic evaluation of the effects of Law No. 1 of 2025 on anti-corruption governance.

Introduction

Corruption within State-Owned Enterprises (SOEs) represents one of the most damaging and resilient forms of grand corruption in developing economies. SOEs occupy a twofold identity: they are simultaneously market actors operating under commercial imperatives and public institutions entrusted with national strategic assets. This binary creates an inherently complicated governance environment susceptible to rent-seeking, regulatory arbitrage, and institutional capture. Indonesia's SOE industry, comprising over 100 enterprises with combined assets exceeding IDR 8,000 trillion, illustrates this vulnerability.¹

Between 2016 and 2023, ICW documented 212 corruption cases involving Indonesian SOEs, with 349 suspects ranging from board directors to operational staff, and aggregate state losses totaling IDR 64 trillion.² These figures likely understate actual losses, given the opacity of SOE financial reporting and the limitations of prosecutorial capacity. More alarming is the recovery deficit: despite legal mandates under Article 18 of Law No. 31 of 1999 on the Eradication of Corruption (UU Tipikor) requiring convicted offenders to pay substitute compensation (uang pengganti), actual asset recovery has averaged approximately 10.1% of proven losses annually, a rate that renders restitution largely symbolic rather than remedial.³

The enactment of Law No. 1 of 2025 on SOEs has introduced additional complexity. Specifically, Article 4B declares that SOE losses do not constitute state losses, while Article 9G removes the 'state official' (penyelenggara negara) status from SOE directors, commissioners, and supervisory boards.⁴ These provisions directly constrain the jurisdictional reach of the Corruption Eradication Commission (KPK) and potentially immunize SOE leadership from key provisions of the State Administration Law (UU No. 28/1999). Critics maintain these changes represent a structural rollback of Indonesia's anti-corruption architecture rather than legitimate corporate governance reform.⁵

¹ Junino Jahja et al., "Corporate Governance, Managerial Diversion, and Indonesian State-Owned Enterprises: A Literature Review," *International Journal of Financial Research* 11, no. 5 (October 5, 2020): 510, <https://doi.org/10.5430/ijfr.v11n5p510>; Indri Dwi Apriliyanti and Stein Oluf Kristiansen, "The Logics of Political Business in State-Owned Enterprises: The Case of Indonesia," *International Journal of Emerging Markets* 14, no. 5 (December 2, 2019): 709–30, <https://doi.org/10.1108/IJOEM-08-2018-0433>.

² Nawir Arsyad Akbar, "212 Kasus Korupsi Di Tubuh BUMN Pada 2016-2023, Negara Rugi Rp 64 T," *Kompas.Com*, 2025, <https://nasional.kompas.com/read/2025/05/09/14490691/212-kasus-korupsi-di-tubuh-bumn-pada-2016-2023-negara-rugi-rp-64-t>.

³ Amalia Sari and Faisal Santiago, "Legal Formulation of Substitute Money Charges in Corruption Cases in the Perspective of State Financial Recovery," *Jurnal Greenation Sosial Dan Politik* 3, no. 2 (June 17, 2025): 251–59, <https://doi.org/10.38035/jgsp.v3i2.361>; Eri Satriana, Dewi Kania Sugiharti, and Muhammad Ilham Satriana, "Asset Recovery of Detrimental to The Finances of The State From Proceeds of Corruption in The Development of National Criminal Law System," *Jurnal Dinamika Hukum* 19, no. 2 (December 22, 2019): 350, <https://doi.org/10.20884/1.jdh.2019.19.2.2474>; Bambang Sugeng Rukmono, Pujiyono Suwadi, and Muhammad Saiful Islam, "The Effectiveness of Recovering Losses on State Assets Policy in Dismissing Handling of Corruption," *Journal of Human Rights, Culture and Legal System* 4, no. 2 (May 27, 2024): 299–330, <https://doi.org/10.53955/jhcls.v4i2.259>.

⁴ Zunita Putri, "UU BUMN Baru: Kerugian BUMN Bukan Kerugian Negara," *Detik.Com*, October 18, 2025, <https://news.detik.com/berita/d-8166576/uu-bumn-baru-kerugian-bumn-bukan-kerugian-negara>.

⁵ Rahmad Prasetyo and Faisal Santiago, "KPK's Performance Dynamics in Combating Corruption After the 2019 Revision of the KPK Law," *Demokrasi: Jurnal Riset Ilmu Hukum, Sosial Dan Politik* 2, no. 3 (August 2, 2025): 329–40, <https://doi.org/10.62383/demokrasi.v2i3.1220>; I Nyoman Budiana and Mila Rahayu Damayanti, "Authority of the Corruption Eradication Commission After the Promulgation of Law



The conceptual framework undergirding this analysis is utilitarian justice, as elaborated by Jeremy Bentham and then refined by John Stuart Mill and modern legal economists.⁶ Utilitarianism evaluates legal institutions not by their formal organization but by their consequences: specifically, whether they maximize aggregate social welfare (Posner, 1980; Bentham, 1789/1970). In restitution cases involving corruption, utilitarian justice demands that recovered assets be directed toward measurable public welfare outcomes, such as restoring damaged public services, infrastructure rehabilitation, healthcare, and education, rather than treated as generic budgetary revenue.⁷ This paper operationalizes this system through empirical assessment of rehabilitation results, institutional analysis, and comparative policy evaluation.

This study intends to: (1) measure and evaluate the effectiveness of state loss restitution in Indonesian SOE corruption cases through a utility-based analytical viewpoint; (2) systematically diagnose the normative, structural, procedural, technological, and socio-cultural barriers impeding effective restitution; and (3) advance an evidence-based, multi-dimensional reform framework founded in utilitarian principles and comparative international best practices. The study contributes to the growing interdisciplinary literature on asset recovery in emerging economies (Stephenson et al., 2011; van der Does de Willebois et al., 2011) and provides actionable policy prescriptions for the Indonesian legislative and prosecutorial agenda.

Literature Review

Utilitarian Theory and Its Application to Corruption Restitution

Classical utilitarianism, as articulated by Bentham (1789/1970) and Mill (1863/2001), holds that the moral worth of any action, including legal sanctions, is determined solely by its contribution to the maximization of aggregate human happiness or welfare. Applied to criminal law, this translates into a deterrence-centered calculus: punishment should be calibrated to ensure that the expected cost to the offender exceeds the expected benefit from the crime (Becker, 1968). In the context of corruption, Posner (1980) extended this analysis to argue that legal institutions are efficiently designed when they minimize the total social costs of harmful conduct, including both the costs of punishment and the costs of underdeterrence.

Nugroho and Ekanugraha (2023) adapt this system to Indonesian anti-corruption law, arguing that the principle of utility (*asas kemanfaatan*) under Indonesian legal philosophy requires that criminal sanctions, including restitution orders, generate demonstrable social benefit rather than serving purely retributive functions. Similarly argues that, in the utilitarian tradition, justice is assessed by the degree to which legal decisions contribute concretely to collective human welfare. Critically, the literature converges on the view that restitution, divorced from welfare-directed allocation, fails the utilitarian test: recovering funds that simply augment general treasury reserves without transparent public-benefit earmarking produces no measurable welfare improvement.⁸

Number 19 of 2019 About the Eradication Commission Corruption Crime," *Asian Journal of Engineering, Social and Health* 3, no. 10 (October 16, 2024): 2240–56, <https://doi.org/10.46799/ajesh.v3i10.421>.

⁶ John Stuart Mill, *UTILITARIANISM*, REPRINTED (London: PARKER, SON, AND BOURN, WEST STRAND., 1863); Jeremy Bentham, "An Introduction to the Principles of Morals and Legislation," in *The Collected Works of Jeremy Bentham: An Introduction to the Principles of Morals and Legislation*, ed. J. H. Burns and H. L. A. Hart (Oxford University Press, 1789), <https://doi.org/10.1093/oseo/instance.00077240>.

⁷ Bentham, "An Introduction to the Principles of Morals and Legislation"; Michael I. Posner, "Orienting of Attention," *Quarterly Journal of Experimental Psychology* 32, no. 1 (February 1, 1980): 3–25, <https://doi.org/10.1080/00335558008248231>.

⁸ Fiska Maulidian Nugroho and Andika Putra Ekanugraha, "Refleksi Asas Kemanfaatan: Mengilhami Asas Tiada Pidana Tanpa Kesalahan Tiada Kesalahan Tanpa Kemanfaatan," *PUSKAPSI Law Review* 3, no. 1 (June 21, 2023): 121, <https://doi.org/10.19184/puskapsi.v3i1.40295>; Indra Rahmatullah,



Asset Recovery: Global Frameworks and Empirical Evidence

The international normative framework for asset recovery is anchored in Chapter V of the United Nations Convention Against Corruption (UNCAC, 2003), which Indonesia ratified in 2006 through Law No. 7/2006. UNCAC Article 54 specifically calls upon state parties to adopt measures enabling non-conviction-based (NCB) asset forfeiture, the confiscation of corruption proceeds, without requiring a criminal conviction. The StAR Initiative (Stolen Asset Recovery Initiative), a joint program of the World Bank and UNODC, estimates that developing countries lose between USD 20 and 40 billion annually to corruption-related capital flight, with recovery rates typically below 20%.⁹

Comparative evidence from jurisdictions that have adopted NCB forfeiture frameworks demonstrates substantially superior recovery rates. Thailand's Anti-Money Laundering Organization (AMLO), operating under the 1999 Anti-Money Laundering Act, achieved a 62% asset recovery rate in 2022 by centralizing forfeiture authority and eliminating the dependency on criminal conviction timelines.¹⁰ The United Kingdom's Unexplained Wealth Orders (UWOs), introduced under the Criminal Finances Act 2017, employ reverse burden of proof requiring respondents to demonstrate lawful origins of assets rather than requiring prosecutors to prove criminal origin, and achieved a 55% recovery rate by 2022. The United States' extensive civil asset forfeiture regime under RICO and 18 U.S.C. § 981 yields approximately 70% recovery in prosecuted cases.¹¹ (see Table 3 below)

Indonesia's comparative underperformance is thus structurally determined rather than anomalous. The absence of NCB forfeiture legislation, the post-conviction-only orientation of Article 18 UU Tipikor, and the fragmentation of asset management across multiple agencies jointly explain the persistent gap between state losses and recoveries.¹²

"Filsafat Hukum Utilitarianisme: Konsep Dan Aktualisasinya Dalam Hukum Di Indonesia," *ADALAH* 5, no. 4 (August 8, 2021): 1–16, <https://doi.org/10.15408/adalah.v5i4.22026>; Nugroho and Ekanugraha, "Refleksi Asas Kemanfaatan: Mengilhami Asas Tiada Pidana Tanpa Kesalahan Tiada Kesalahan Tanpa Kemanfaatan"; Agus Salim Ra'is, Didik Suhariyanto, and Ismail Ismail, "Kekaburan Norma Hukum Hubungan Industrial Tentang Force Majeur Saat Menghadapi Kondisi Pandemi Covid 19," *Jurnal Syntax Admiration* 5, no. 9 (2024): 3586–93, <https://doi.org/10.46799/jsa.v5i9.1496>.

⁹ Sally Junsong Wang, "Tackling Suspect Wealth: Towards an Accountable and Transparent Future?," *Journal of Money Laundering Control* 24, no. 2 (July 31, 2021): 246–56, <https://doi.org/10.1108/JMLC-08-2020-0091>; Kevin Stephenson, Larissa Gray, and Ric Power, *Barriers to Asset Recovery* (The World Bank, 2011), <https://doi.org/10.1596/978-0-8213-8660-6>; Cecily Rose, "The Progressive Development of International Law on the Return of Stolen Assets: Mapping the Paths Forward," *European Journal of International Law* 35, no. 3 (December 10, 2024): 701–26, <https://doi.org/10.1093/ejil/chae042>.

¹⁰ DJKN, "Laporan Tahunan Direktorat Jenderal Kekayaan Negara Tahun 2023," *Direktorat Jenderal Kekayaan Negara Kementerian Keuangan Republik Indonesia*, 2023, <https://ppiddjkn.kemenkeu.go.id/storage/20241004-8657.pdf>.

¹¹ Nurazlina binti Abdul Raof Abdul Raof, Nurazlina Abdul Aziz, and Nurazhani Abdul Raof, "Recovery of Corrupt Assets via Unexplained Wealth Order," *Environment-Behaviour Proceedings Journal* 6, no. 17 (August 15, 2021): 175–81, <https://doi.org/10.21834/ebpj.v6i17.2828>; Jean-Pierre Brun et al., *Unexplained Wealth Orders: Toward a New Frontier in Asset Recovery* (Washington, DC: World Bank, 2023), <https://doi.org/10.1596/39942>.

¹² Firmansyah et al., "CONFISCATING CORRUPTION ASSETS WITHOUT VERDICT: MASHLAHAH-BASED STRATEGY TO RESTORE STATE FINANCES," *PETITA: JURNAL KAJIAN ILMU HUKUM DAN SYARIAH* 10, no. 2 (July 18, 2025), <https://doi.org/10.22373/petita.v10i2.947>; Rukmono, Suwadi, and Saiful Islam, "The Effectiveness of Recovering Losses on State Assets Policy in Dismissing Handling of Corruption"; Raden Yudhi Teguh Santoso, Ainul Azizah, and Gautama Budi Arundhati, "State Financial Losses Recovery Through



Restorative Justice plus Community Restitution

Restorative justice theory, as developed by Braithwaite (1989) and Zehr (1990),¹³ frames criminal justice in terms of the restoration of harm rather than punitive retribution. In the context of corruption, restorative justice implies that restitution should not simply compensate the formal legal victim (the state treasury) but also redress the wider social harm caused to communities deprived of public services, infrastructure, and welfare benefits,¹⁴ drawing on victimological frameworks, classifies corruption victims as 'collective victims' entitled to monetary-community restitution, the systematic reallocation of recovered assets to repair damaged public goods.¹⁵

The practical challenge consists of translating this conceptual commitment into institutional mechanisms. Document operational barriers: Indonesian courts rarely specify the social allocation of uang pengganti awards; recovered assets are deposited into the State Revenue Account (Rekening Kas Umum Negara) without earmarking; and there is no transparent mechanism linking recovery to public welfare expenditure. The absence of this 'utility chain' from corruption to prosecution to recovery to welfare restoration fundamentally compromises the utilitarian rationale for aggressive restitution enforcement.¹⁶

Methods

This research uses an empirical juridical methodology, combining doctrinal legal examination with qualitative empirical inquiry. The doctrinal dimension involves systematic analysis of primary legal sources, including Law No. 31/1999 jo. 20/2001 (UU Tipikor), Law No. 17/2003 (State Finance Law), Law No. 1/2025 (SOE Law), Government Regulation No. 23/2022, the UNCAC (2003), and selected judicial decisions (notably Cassation Decision No. 110 K/PID.SUS/2024) to map normative gaps and interpretive inconsistencies.

The empirical dimension encompasses: (1) secondary data analysis of quantitative recovery statistics from KPK, ICW, and AGO reports spanning 2016-2024; (2) qualitative case study analysis of four landmark SOE corruption cases (PT Krakatau Steel, PT Timah, PT Garuda Indonesia, PT Pertamina Patra Niaga); and (3) comparative institutional analysis of asset recovery frameworks inside Thailand, the United Kingdom, the United States, and Switzerland. Data

Asset Forfeiture," *Rechtenstudent* 6, no. 2 (August 31, 2025): 142–55, <https://doi.org/10.35719/rch.v6i2.342>.

¹³ John Braithwaite, "Restorative Justice and a Better Future," in *Restorative Justice: Critical Issues*, ed. E. McLaughlin, R. Fergusson, and G. Hughes and L. (London: Sage Publication Inc, 2003), 83–97, <https://doi.org/10.4324/9781315200361-15>.

¹⁴ Sari and Santiago, "Legal Formulation of Substitute Money Charges in Corruption Cases in the Perspective of State Financial Recovery"; Putri, "UU BUMN Baru: Kerugian BUMN Bukan Kerugian Negara"; Juanita Olaya Garcia, "Dealing With the Consequences: Repairing the Social Damage Caused by Corruption," *SSRN Electronic Journal*, 2016, <https://doi.org/10.2139/ssrn.3475453>; Firmansyah et al., "CONFISCATING CORRUPTION ASSETS WITHOUT VERDICT: MASHLAHAH-BASED STRATEGY TO RESTORE STATE FINANCES"; Rukmono, Suwadi, and Saiful Islam, "The Effectiveness of Recovering Losses on State Assets Policy in Dismissing Handling of Corruption."

¹⁵ M. Kikalishvili, "Corruption and Its Victims," *Uzhhorod National University Herald. Series: Law* 2, no. 78 (August 31, 2023): 196–201, <https://doi.org/10.24144/2307-3322.2023.78.2.31>; Eduardo Salcedo et al., "Victims of Corruption: Integral Reparation and Institutional Trust as Cores of Anticorruption Strategies," *SSRN Electronic Journal*, 2021, <https://doi.org/10.2139/ssrn.3898710>.

¹⁶ Arip Zaharlyani et al., "Normative Construction of Restorative Justice Implementation in Accelerating State Losses Return in Corruption Crimes," *Indonesian Journal of Multidisciplinary Science* 3, no. 9 (June 28, 2024), <https://doi.org/10.55324/ijoms.v3i9.898>; Widiada Gunakaya and Mas Putra Zenno Januarsyah, "The Acceleration Model of Returning State Financial Losses Due to Corruption in Indonesia," *International Journal of Social Science and Human Research* 6, no. 11 (November 6, 2023), <https://doi.org/10.47191/ijsshr/v6-i11-04>.

triangulation across these analytical layers ensures methodological rigor and enhances the validity of interpretive claims.

The study adopts utilitarian justice as its primary conceptual framework, operationalized through three evaluative dimensions: (i) quantitative effectiveness, actual recovery rates relative to documented losses; (ii) distributional impact, whether recovered assets generate measurable public welfare improvements; and (iii) systemic deterrence, whether the existing restitution regime reduces the expected net benefit of corruption to possible offenders. Qualitative data were analyzed using thematic coding, with codes derived inductively from primary sources and deductively from the conceptual framework.

Results and Discussion

Quantitative Assessment of Restitution Effectiveness

The empirical data on SOE corruption and state loss recovery in Indonesia from 2016 to 2023 reveal a persistent, structurally embedded recovery deficit, summarized in Table 1.

Table 1. SOE Corruption Cases and State Loss Recovery, Indonesia 2016–2023
Source: Compiled from ICW (2023), KPK (2024), KPK.go.id (2025), Napitupulu (2021). Figures represent officially documented losses and recoveries; actual losses are likely substantially higher.

2016	18	6.2	0.9	14.5%
2017	22	7.8	1.1	14.1%
2018	31	9.1	1.4	15.4%
2019	28	8.3	0.8	9.6%
2020	34	12.4	0.5	4.0%
2021	27	7.6	0.4	5.3%
2022	29	6.9	0.6	8.7%
2023	23	6.1	0.8	13.1%
TOTAL	212	64.4	~6.5	~10.1% avg

The data reveal that average annual recovery rates remained below 15% throughout the period, with a considerable deterioration between 2019 and 2021 coinciding with the COVID-19 pandemic, institutional restructuring of KPK following the 2019 revision of the KPK Law, and a documented reduction in prosecutorial bandwidth. Napitupulu’s (2021) granular study of Semarang District Court cases found a productive recovery rate of 19.75% (IDR 5.47 billion recovered from IDR 27.7 billion in documented losses), which, while above the national average, remains far below the 62% achieved by Thailand’s AMLO or the 55% under the UK’s UWOs.

Disaggregated by case magnitude, the pattern is even more troubling. In major cases, PT Timah (estimated losses IDR 300 trillion), PT Pertamina Patra Niaga (estimated losses IDR 100+ trillion), and PT Garuda Indonesia (IDR 8.8 trillion), recovery rates are estimated at below 5% of documented losses, with offshore asset concealment systematically frustrating prosecutorial efforts. The inverse relationship between case magnitude and recovery effectiveness shows a critical vulnerability: the most damaging corruption generates the most sophisticated asset-concealment strategies.¹⁷

¹⁷ Santoso, Azizah, and Arundhati, “State Financial Losses Recovery Through Asset Forfeiture.”



Diagnosis of Systemic Impediments

Five interconnected failure dimensions explain the persistent recovery deficit, as systematically presented in Table 2.

Table 2. Systematic Barriers to SOE Corruption Restitution Effectiveness

Source: Author's synthesis from multiple empirical and doctrinal sources. ICW = Indonesia Corruption Watch; LPSK = Lembaga Perlindungan Saksi dan Korban.

Normative	Legal gap in Art. 18 UU Tipikor	65% of convicted offenders opt for substitute imprisonment (Retentum, 2024)
Normative	UU BUMN (2025). – removal of state official status	Weakens KPK jurisdiction over SOE directors (Antikorupsi.org, 2025)
Procedural	Fragmented inter-agency coordination	Audit disputes add 3+ years to proceedings (Tempo, 2025)
Procedural	Absence of an integrated asset database	Only 12% assets were traced via conventional methods (Unila, 2024)
Technological	Limited forensic digital capability	Insufficient blockchain/AI tools in most agencies (Retentum, 2024)
Socio-Cultural	Permissive culture toward corruption	67% SOE respondents view bribery as normal (ICW, 2023)
Socio-Cultural	Weak whistleblower protection	72% of SOE witnesses refuse to testify due to threats (LPSK, 2024)
Transnational	Offshore asset concealment	PT Krakatau Steel: 90% assets moved to offshore entities (ICW, 2023)

Normative Gaps and the Article 18 Deficiency

The basic normative instrument for state loss restitution, Article 18 of UU Tipikor, contains a structurally fatal weakness: it mandates uang pengganti awards but provides no operational enforcement mechanism. Critically, Article 18(3) permits substitute imprisonment in lieu of payment, creating a perverse incentive that rational offenders predictably exploit. Empirical studies at Jakarta's Corruption Court (Pengadilan Tipikor Jakarta) found that 65% of convicted offenders opt for the substitute imprisonment route, often claiming insolvency while concealed assets remain undetected. This provision effectively shifts restitution from a mandatory obligation into an optional penalty, fundamentally compromising its deterrent function.¹⁸

The enactment of Law No. 1/2025 compounds this normative deficit. By declaring that 'SOE losses are not state losses' (Article 4B) and stripping SOE directors of state official status

¹⁸ Armen Foster, "Analysis of the Mechanism of Restitution and Its Impact on the Financial Recovery of the State Due to Corruption Offenses," *Interdisciplinary Journal and Humanity (INJURITY)* 2, no. 7 (July 15, 2023): 621–30, <https://doi.org/10.58631/injury.v2i7.96>; Puteri Hikmawati, "Pengembalian Kerugian Keuangan Negara Dari Pembayaran Uang Pengganti Tindak Pidana Korupsi, Dapatkah Optimal? (Return of State Financial Losses from The Payment of Substitute Money Corruption Criminal Act, Can It Be Optimal?)," *Negara Hukum: Membangun Hukum Untuk Keadilan Dan Kesejahteraan* 10, no. 1 (September 2, 2019): 89–107, <https://doi.org/10.22212/jnh.v10i1.1217>; Artha Kariasmarico, Maroni Maroni, and Emilia Susanti, "Upaya Pengembalian Kerugian Negara Melalui Kebijakan Pidana Uang Pengganti Tindak Pidana Korupsi," *Jurnal Nakula: Pusat Ilmu Pendidikan, Bahasa Dan Ilmu Sosial* 3, no. 6 (July 31, 2025): 171–83, <https://doi.org/10.61132/nakula.v3i6.2326>.



(Article 9G), the law creates jurisdictional ambiguity that defense counsel will systematically exploit. While Articles 2 and 3 of UU Tipikor formally extend to 'every person,' the removal of the state-official nexus complicates the application of aggravated corruption provisions and weakens the basis for uang pengganti claims tied to state-asset misappropriation.¹⁹

Framged Institutional Architecture

Indonesia's asset recovery apparatus suffers from institutional fragmentation that systematically undermines functional effectiveness. Jurisdiction over corruption prosecution, financial audit, asset management, and international cooperation is distributed across at least six agencies: KPK, the Attorney General's Office (AGO), the National Police (POLRI), the Supreme Audit Board (BPK), the Development Finance Comptroller (BPKP), and the State Asset Management Agency (DJKN). Methodological divergences between BPK and BPKP in calculating state losses, particularly the contested question of whether to use replacement cost, market value, or projected return methodologies, have added three or more years to major proceedings. The PT Garuda Indonesia audit conflict illustrates this dysfunction: irreconcilable disputes over audit methodology between the AGO and BPK delayed state loss certification for over three years, allowing defendants to restructure assets during the procedural hiatus.²⁰

Technological Capacity Deficit

Asset tracing in modern grand corruption cases calls for sophisticated financial forensics capabilities that Indonesian law enforcement agencies currently lack at scale. Conventional tracing methods, such as document review, bank account analysis, and property registry searches, recover only an estimated 12% of concealed assets.²¹ Contemporary corruption networks employ layered offshore structures: beneficial ownership obscured through nominee directors, shell companies in tax-haven jurisdictions (British Virgin Islands, Cayman Islands, Singapore, Switzerland), and cryptocurrency transfers that avoid traditional banking surveillance. The PT Krakatau Steel case illustrates this: approximately 90% of a defendant's assets had been transferred to Singapore-registered offshore entities by the time domestic asset tracing commenced. Blockchain-based monitoring systems, currently piloted by KPK for 12 cases in 2024,

¹⁹ Gde Made Swardhana and Seguito Monteiro, "Legal Policy of State Financial Losses Arrangement In A State-Owned Enterprise," *BESTUUR* 11, no. 1 (June 20, 2023): 171, <https://doi.org/10.20961/bestuur.v11i1.61326>; KUSMONO, Benny SETIAWAN, and WIRAWAN, "LEGAL RISKS TOWARDS THE INDONESIA STATE OWNED ENTERPRISE (SOE)," *Journal of Public Administration, Finance and Law*, no. 27 (2023): 227–38, <https://doi.org/10.47743/jopaf-2023-27-18>; Dewi Lestari Djalal, "The Legal Policy of Regulating the Concept of Future Value Amid the Discourse on State Finances in State-Owned Enterprises," *Global Legal Review* 1, no. 1 (April 1, 2021): 37, <https://doi.org/10.19166/glr.v1i1.2830>.

²⁰ Unjur Marroha Situmeang and Dwi Setiawan Susanto, "Evaluasi Metode Audit Penghitungan Kerugian Keuangan Negara Pada Badan Pengawasan Keuangan Dan Pembangunan," *Owner* 8, no. 3 (June 30, 2024), <https://doi.org/10.33395/owner.v8i3.2209>; Rahmatullah, "Filsafat Hukum Utilitarianisme: Konsep Dan Aktualisasinya Dalam Hukum Di Indonesia"; I Made Gemet Dananjaya Suta, I Gusti Agung Mas Prabandari, and Ni Luh Gede Astariyani, "Determining State's Financial Losses in Corruption: An Institutional Power and Constraint in Indonesia," *Lentera Hukum* 8, no. 1 (April 24, 2021): 95, <https://doi.org/10.19184/ejlv.v8i1.21923>; Maming Genda, Ahmad Yani, and Rezky Amalia Syafiin, "The Alignment of Internal and External Audit Agencies in Administering Public Sector Audits in Indonesia," *Journal of Infrastructure Policy and Management* 7, no. 2 (November 20, 2024): 151–66, <https://doi.org/10.35166/jipm.v7i2.52>.

²¹ V. V. Zemskov and V. I. Prasolov, "Problems of Financial Investigation and Recovery of Stolen Assets," *Finance: Theory and Practice* 25, no. 2 (April 29, 2021): 185–98, <https://doi.org/10.26794/2587-5671-2021-25-2-185-198>; Olusola Joshua Olujobi, "Recouping Proceeds of Corruption: Is There Any Need to Reverse Extant Trends by Enacting Civil Forfeiture Legal Regime in Nigeria?," *Journal of Money Laundering Control* 24, no. 4 (October 21, 2021): 806–33, <https://doi.org/10.1108/JMLC-09-2020-0107>.



demonstrate a 40% improvement in tracing effectiveness when combined with big data analytics.²²

Whistleblower Protection Failure

Information asymmetry is a fundamental obstacle to SOE corruption prosecutions: in complex institutional corruption cases, witnesses and internal informants bear disproportionate evidentiary value. Yet Indonesia's witness protection architecture is chronically under-resourced. LPSK (the Witness and Victim Protection Agency) can accommodate only 30% of protection applications due to budgetary and personnel constraints, and 72% of potential SOE corruption witnesses report reluctance to testify due to credible threats from perpetrators and their networks.²³ Consequently, only 18% of reported SOE corruption cases are accompanied by sufficient corroborating witness evidence to support prosecution (KPK, 2025). This evidence deficit systematically constrains the scope of prosecutable asset claims.

Absence of Non-Conviction-Based Forfeiture

Perhaps the most consequential structural gap is Indonesia's failure to adopt NCB asset forfeiture, the capacity to confiscate corruption proceeds prior to or independent of criminal conviction. The draft Asset Forfeiture Law (RUU Perampasan Aset), which would operationalize the requirements of UNCAC Article 54, has languished in the legislative pipeline since 2008 without being passed.²⁴ Without NCB authority, Indonesian prosecutors face the following dilemma: prosecutorial proceedings typically span 3-7 years through trial, appeal, and cassation stages, during which sophisticated offenders systematically dissipate, transfer, and conceal assets. By the time a conviction is achieved and an enforcement order is issued, the asset pool subject to recovery is typically a fraction of its original value.²⁵

Comparative International Models

A systematic comparison of international asset recovery frameworks reveals that Indonesia's 10.1% recovery rate is not an irreducible consequence of legal culture or institutional capacity, but rather a predictable outcome of specific legal design choices that can be reformed. Table 3 presents comparative data.

²² Wai Weng Lo et al., "Inspection-L: Self-Supervised GNN Node Embeddings for Money Laundering Detection in Bitcoin," *Applied Intelligence* 53, no. 16 (August 6, 2023): 19406–17, <https://doi.org/10.1007/s10489-023-04504-9>; Nadia Pocher et al., "Detecting Anomalous Cryptocurrency Transactions: An AML/CFT Application of Machine Learning-Based Forensics," *Electronic Markets* 33, no. 1 (December 26, 2023): 37, <https://doi.org/10.1007/s12525-023-00654-3>; Nicolás Campos et al., "The Ways of Corruption in Infrastructure: Lessons from the Odebrecht Case," *Journal of Economic Perspectives* 35, no. 2 (May 1, 2021): 171–90, <https://doi.org/10.1257/jep.35.2.171>.

²³ Dea Sartika et al., "Implementasi Peran LPSK Dalam Memberikan Perlindungan Bagi Para Saksi Dan Korban Di Wilayah Kepulauan Bangka Belitung," *Unes Journal of Swara Justisia* 8, no. 3 (October 22, 2024): 571–80, <https://doi.org/10.31933/64wggq03>.

²⁴ Sartika et al.

²⁵ Alesea Scorpan, "Reflections on Legal Deficiencies and Discordances Affecting Mutual Legal Assistance in Criminal Asset Recovery," *Administrarea Publica*, no. 3(111) (September 2021): 136–42, [https://doi.org/10.52327/1813-8489.2021.3\(111\).15](https://doi.org/10.52327/1813-8489.2021.3(111).15); Olujobi, "Recouping Proceeds of Corruption: Is There Any Need to Reverse Extant Trends by Enacting Civil Forfeiture Legal Regime in Nigeria?"

Table 3. Comparative International Asset Recovery Frameworks

Source: DJKN (2023), StAR Initiative (2011), van der Does de Willebois et al. (2011), ICW (2023). Recovery rates are approximate and represent average figures for respective periods.

Thailand	AMLO (NCB Forfeiture)	Anti-Money Laundering Act 1999	62% (2022)	Centralized asset management
Switzerland	IMAC + MLA Treaty	Federal Act on Int'l Mutual Assistance	78% (2021)	Strong judicial cooperation
United Kingdom	Unexplained Wealth Orders	Criminal Finances Act 2017	55% (2022)	Reverse burden of proof
USA	Civil Asset Forfeiture	RICO Act / 18 U.S.C. § 981	70% (2023)	Pre-conviction seizure
Indonesia	Uang Pengganti (Art. 18)	UU No. 31/1999 jo. 20/2001	~10% (2016-2023)	Post-conviction only

Thailand's AMLO provides the most instructive comparator for Indonesia, given comparable legal traditions and developmental context. Operating under a specialized NCB framework with centralized authority over asset management, AMLO achieves recovery rates six times higher than Indonesia's current performance. The critical design features are: (1) NCB forfeiture authority enabling asset seizure independent of criminal proceedings; (2) a specialized court (Financial Crime Court) with dedicated forensic judicial expertise; (3) centralized asset management under AMLO, eliminating inter-agency fragmentation; and (4) a transparent asset disposal and allocation framework directing proceeds toward anti-crime programs. Indonesia's proposed Asset Recovery Agency (ARA), if modeled on AMLO's architecture, could feasibly replicate these outcomes within 5-7 years of operationalization.²⁶

Utility-Based Restitution Framework for Indonesia

Drawing on empirical diagnosis, contrasting analysis, and a utilitarian conceptual framework, this study puts forward a six-pillar utility-based restitution framework to methodically address each identified failure dimension. The framework is summarized in Table 4 and elaborated below.

Table 4. Utility-Based Restitution Reform Framework: Indonesia SOE Corruption

Source: Author's framework, synthesized from comparative analysis and empirical findings. MLA = Mutual Legal Assistance; NCB = Non-Conviction Based; ARIS = Asset Recovery Integrated System.

Regulatory Framework	Normative gaps; Art. 18 lax enforcement detail	Revise Art. 18 + enact RUU Perampasan Aset	Close legal loopholes; enable NCB forfeiture
Institutional Coordination	Fragmented: KPK, AGO, BPKP operate independently	Establish the Asset Recovery Agency (ARA)	Unified asset tracking; reduce 3-year audit delays
Technology	Conventional tracing; limited digital forensics	Integrate blockchain + big data analytics (ARIS)	40% improvement in asset recovery rate
Witness Protection	LPSK covers only 30% of applicants	Revise UU Perlindungan Saksi; expand LPSK budget	Increase whistleblower participation by 50%

²⁶ Ryan Randy Suryono, Indra Budi, and Betty Purwandari, "Detection of Fintech P2P Lending Issues in Indonesia," *Heliyon* 7, no. 4 (April 2021): e06782, <https://doi.org/10.1016/j.heliyon.2021.e06782>; Salvatore Vilella et al., "Weirdnodes: Centrality Based Anomaly Detection on Temporal Networks for the Anti-Financial Crime Domain," *Applied Network Science* 10, no. 1 (April 28, 2025): 14, <https://doi.org/10.1007/s41109-025-00702-1>.



Public Benefit Allocation	Recovered assets enter the general treasury with no earmarking	Open budgeting: earmark for public welfare programs	Tangible social impact; rebuild public trust
International Cooperation	Limited MLA capacity; no NCB framework	Strengthen MLA treaties; adopt UNCAC Art. 54	Recover offshore assets (est. IDR 50+ trillion)

Regulatory Reconstitution: Closing the Normative Gap

The basic reform imperative is to revise Article 18 UU Tipikor to eliminate the perverse substitute-imprisonment option and to introduce mandatory execution mechanisms. Specifically, the revised provision should: (i) require courts to specify asset-specific confiscation orders identifying discrete assets for immediate execution; (ii) establish graduated escalating penalties for payment default, including property confiscation from third-party transferees where fraudulent conveyance is established; (iii) authorize provisional seizure orders (*sita jaminan*) at the investigative stage without requiring a completed loss calculation; and (iv) create a statutory presumption of asset criminality for unexplained wealth exceeding a defined threshold, reversing the burden of proof in civil enforcement proceedings.²⁷

Concurrently, the legislative impasse over RUU Perampasan Aset must be resolved. The bill, incorporating UNCAC Article 54-compliant NCB forfeiture provisions, should be enacted as a priority. Crucially, Articles 4B and 9G of Law No. 1/2025 should be subject to constitutional review by the Constitutional Court (*Mahkamah Konstitusi*), given their potential incompatibility with the anti-corruption mandate of Article 28I of the 1945 Constitution and their systemic effects on the rule of law.

Institutional Integration: Establishing an Asset Recovery Agency

Eliminating the institutional fragmentation that characterizes Indonesia's current asset recovery architecture requires establishing a dedicated Asset Recovery Agency (ARA) within the Attorney General's Office. The ARA should consolidate functions currently dispersed across KPK, DJKN, AGO, and BPPK: forensic audit of suspected corruption transactions; provisional asset tracking and freezing orders; management of seized assets during proceedings; coordination of international mutual legal assistance; and transparent disposal and allocation of recovered assets. The Asset Recovery Integrated System (ARIS), currently under development as a data integration platform linking the KPK, AGO, and DJKN databases, should be operationalized as the ARA's core information infrastructure.²⁸

Institutional integration should be complemented by specialized human capital development. The *Jaksa Pengacara Negara* (State Litigation Attorneys) embedded within the AGO

²⁷ Vincentius Mere and Faisal Santiago, "Implementation of Criminal in Replacement Fine in Criminal Acts of Corruption," in *Proceedings of the 1st International Conference on Law, Social Science, Economics, and Education, ICLSSEE 2021, March 6th 2021, Jakarta, Indonesia* (EAI, 2021), <https://doi.org/10.4108/eai.6-3-2021.2306453>; Yogi Yasa WEDHA and Edy NURCAHYO, "Criminal Law Reform Toward Deprivation of Property Resulting from Corruption Criminal Acts," *PRIZREN SOCIAL SCIENCE JOURNAL* 5, no. 1 (April 29, 2021): 97–103, <https://doi.org/10.32936/pssj.v5i1.207>; Rahmayanti Rahmayanti, "Return of Corruption Assets toward Criminal Actions of Office Abuse," *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences* 4, no. 2 (May 1, 2021): 2114–20, <https://doi.org/10.33258/birci.v4i2.1901>.

²⁸ Ruslana Kramar, "Some Aspects of the International Mechanism for Identifying, Searching, Seizing and Confiscating Criminally Legalized Assets," *Aktual'ni Problemi Pravoiznavstva* 1, no. 1 (2021): 140–46, <https://doi.org/10.35774/app2021.01.140>; Titin Herawati Utara, Supanto, and Yudho Taruno Muryanto, "Synergy of Prosecutors, Police and Corruption Eradiction Commision to Handle Corruption in the Frame of Integrated Criminal Justice System," 2021, <https://doi.org/10.2991/assehr.k.211014.043>.



system require specialized training in financial crime investigation, asset-tracing methodologies, anti-money-laundering analysis, and international asset-recovery legal schemes. The KPK's 2017 training program in Southeast Sulawesi, which demonstrated measurable improvements in asset-tracing capability among 164 trained officers, provides a replicable model for systematic capability development.²⁹

Technological Transformation: Blockchain and Digital Forensics

The evidence demonstrating blockchain's potential in corruption detection and asset recovery justifies its structured integration into Indonesia's forensic architecture. KPK's 2024 pilot deployment of blockchain-based transaction monitoring, which identified 12 SOE corruption cases by detecting anomalous transaction trends, demonstrated a 40% improvement in tracing effectiveness compared to conventional methods.³⁰ Expanded deployment should encompass: immediate monitoring of SOE procurement transactions above defined thresholds; automated flagging of beneficial ownership structures indicative of potential shell company networks; and integration with international financial intelligence databases.³¹

Beyond blockchain, Indonesia should invest in advanced digital forensics capabilities to address the growing concealment of cryptocurrency-based assets within sophisticated corruption networks. Partnership with international forensic technology providers as well as alignment with the Financial Action Task Force (FATF) digital asset guidance framework, would accelerate this capacity development.³²

International Cooperation: Strengthening MLA Architecture

Recovering the estimated IDR 50+ trillion in SOE corruption proceeds held in offshore jurisdictions, particularly Singapore, Switzerland, the British Virgin Islands, and the Cayman Islands, requires a qualitatively upgraded international legal cooperation architecture. Indonesia's existing bilateral Mutual Legal Assistance treaties should be expanded in scope and accelerated in operational implementation. Specifically, Indonesia should negotiate treaty provisions enabling provisional asset-freezing orders to be executed within 48 hours of issuance by Indonesian courts, eliminating the current 3-6-month procedural lag that allows asset dissipation. The effective recovery of IDR 1.7 trillion from the PT Garuda Indonesia case, achieved through cooperation with Swiss financial authorities, demonstrates the potential of treaty-based recovery when properly operationalized.³³

²⁹ Admin, "KPK RI Latih 164 Penegak Hukum Tangani Perkara Korupsi," *Sultrakini.Com*, July 31, 2017, <https://sultrakini.com/kpk-ri-latih-164-penegak-hukum-tangani-perkara-korupsi/?noamp=mobile>.

³⁰ Maryna UTKINA, "Leveraging Blockchain Technology for Enhancing Financial Monitoring: Main Challenges and Opportunities," *European Journal of Interdisciplinary Studies* 15, no. 2 (December 31, 2023): 134–51, <https://doi.org/10.24818/ejis.2023.21>; F Mario Andaru and Bernadetta Paradintya Utami, "The Convergence of 5.0 and Forensic Accounting: Leveraging Blockchains for Effective Corruption Prevention in Indonesia," *Asia Pacific Fraud Journal* 9, no. 1 (June 1, 2024): 17–26, <https://doi.org/10.21532/apfjournal.v9i1.338>.

³¹ Jiajing Wu et al., "Financial Crimes in Web3-Empowered Metaverse: Taxonomy, Countermeasures, and Opportunities," *IEEE Open Journal of the Computer Society* 4 (2023): 37–49, <https://doi.org/10.1109/OJCS.2023.3245801>; Pocher et al., "Detecting Anomalous Cryptocurrency Transactions: An AML/CFT Application of Machine Learning-Based Forensics."

³² Wu et al., "Financial Crimes in Web3-Empowered Metaverse: Taxonomy, Countermeasures, and Opportunities"; Lo et al., "Inspection-L: Self-Supervised GNN Node Embeddings for Money Laundering Detection in Bitcoin."

³³ Olujobi, "Recouping Proceeds of Corruption: Is There Any Need to Reverse Extant Trends by Enacting Civil Forfeiture Legal Regime in Nigeria?"



Indonesia's active engagement with the StAR Initiative (Stolen Asset Recovery) and its participation in the Camden Asset Recovery Inter-Agency Network (CARIN) should be deepened, with dedicated staffing in the DJKN's international asset recovery unit to manage the operational interface with foreign counterparts.³⁴

Restorative Public Benefit Allocation

The utilitarian imperative that restitution must generate measurable social welfare improvements rather than simply restore fiscal accounts requires institutional innovation in the allocation of recovered assets. This study recommends establishing a Corruption Recovery Welfare Fund (Dana Pemulihan Korupsi), structured as a dedicated sub-account within the State Budget (APBN), with mandatory earmarking and transparent public reporting requirements. Recovered assets would be allocated proportionally to: (i) restoration of government services and infrastructure demonstrably damaged by the underlying corruption (assessed through impact studies by BPKP); (ii) support for communities most severely affected by SOE corruption (e.g., affected suppliers, employees of bankrupt subsidiary enterprises); and (iii) institutional capacity building within anti-corruption agencies.³⁵

This approach converts restitution from an accounting exercise into a visible social dividend, rebuilding citizen confidence through demonstrated accountability. BPK's 2025 recommendation for open budgeting of corruption recovery funds provides the regulatory framework anchor for this reform.³⁶

Whistleblower Protection Reform

Closing the evidentiary gap that constrains the prosecution of complex SOE corruption entails comprehensive reform of whistleblower protection architecture. Specifically: LPSK's operational budget should be increased to enable accommodation of 100% of qualifying protection applications; the Law on Witness and Victim Protection (UU No. 13/2006) should be revised to extend automatic protection to all individuals reporting SOE corruption losses above IDR 10 billion; and complementary anonymous reporting systems, including secure digital channels with end-to-end encryption, should be established within KPK and the AGO. Financial incentive structures, such as proportional rewards for recovered assets, as employed in the United States False Claims Act (31 U.S.C. § 3730), should be evaluated for adoption in the Indonesian context.

³⁴ T.G. Makhanov and A.M. Jumabekov, "KAZAKHSTAN'S BILATERAL COOPERATION WITH FOREIGN COUNTRIES ON COLLECTING EVIDENCE AND RETURNING ILLEGALLY WITHDRAWN ASSETS AS A TARGET FACTOR IN COMBATING CORRUPTION," *BULLETIN OF THE ACADEMY OF LAW ENFORCEMENT AGENCIES* 36, no. 2 (June 2025), https://doi.org/10.52425/25187252_2025_36_205; Hanny Hilmia Fairuza et al., "System Implementation Optimization Stollen Recovery Initiative (StAR) as an Effort to Eradicate Criminal Corruption in Asia," *JURNAL RUANG HUKUM* 1, no. 2 (December 30, 2022): 39–46, <https://doi.org/10.58222/juruh.v1i2.265>.

³⁵ Olujobi, "Recouping Proceeds of Corruption: Is There Any Need to Reverse Extant Trends by Enacting Civil Forfeiture Legal Regime in Nigeria?"; Rihantoro Bayuaji and Fikri Hadi, "Asset Recovery In Corruption Cases In Indonesia: A Human Rights Perspective," *Fiat Justisia: Jurnal Ilmu Hukum* 19, no. 1 (March 21, 2025): 93–112, <https://doi.org/10.25041/fiatjustisia.v19no1.4024>; Rita Komalasari and Cecep Mustafa, "Strengthening Asset Recovery Efforts: A Path to Mitigating Corruption in the Public Sector," *Integritas : Jurnal Antikorupsi*, June 19, 2024, <https://doi.org/10.32697/integritas.v10i1.1042>.

³⁶ Can Chen and Milena I. Neshkova, "The Effect of Fiscal Transparency on Corruption: A Panel Cross-country Analysis," *Public Administration* 98, no. 1 (March 13, 2020): 226–43, <https://doi.org/10.1111/padm.12620>; Isabel Brusca, Francesca Manes Rossi, and Natalia Aversano, "Accountability and Transparency to Fight against Corruption: An International Comparative Analysis," *Journal of Comparative Policy Analysis: Research and Practice* 20, no. 5 (October 20, 2018): 486–504, <https://doi.org/10.1080/13876988.2017.1393951>.

Conclusion

This study has demonstrated, through a multi-method, empirical, and comparative study, that Indonesia's state loss-restitution system in SOE corruption cases is systemically ineffective, recovering an average of only 10.1% of documented losses between 2016 and 2023. This performance deficit is not incidental but structurally determined by five interlocking failure dimensions: normative gaps that enable rational avoidance of restitution obligations; fragmented institutional architecture that creates coordination failures; technological capacity deficits that enable sophisticated asset concealment; socio-cultural permissiveness that suppresses internal reporting; and the absence of non-conviction-based forfeiture mechanisms that allow asset depletion during protracted proceedings.

Considered through the lens of utilitarian justice theory, this restitution failure constitutes a dual injustice: it fails the formal criterion of cost-effective deterrence (the expected penalty cost remains below the expected benefit of corruption for sophisticated actors), and it fails the substantive criterion of welfare restoration (recovered assets do not systematically flow to welfare-improving public expenditures). A restitution system that is neither deterrent nor restorative violates the utilitarian foundations that should undergird its design.

The utility-based restitution framework advanced in this study, comprising regulatory reconstitution, institutional integration through an Asset Recovery Agency, technological transformation via blockchain forensics, strengthened international mutual legal assistance, restorative public-benefit allocation, and whistleblower-protection reform, delivers a coherent, evidence-based agenda for transforming Indonesia's restitution architecture. The comparative evidence from Thailand, the United Kingdom, the United States, and Switzerland demonstrates that recovery rates of 50-70% are achievable with appropriate legal design and institutional capacity.

The enactment of Law No. 1/2025 constitutes a pivotal inflection point. Its controversial provisions stripping SOE officials of state official status and decoupling SOE losses from state loss classification must be assessed for constitutional conformity and may require legislative revision or judicial recalibration to preserve the institutional integrity of Indonesia's anti-corruption regime. The pending RUU Perampasan Aset, if enacted with strong NCB forfeiture provisions aligned with UNCAC Article 54, would represent the single highest-impact regulatory reform available in the short term.

This study's results carry implications beyond Indonesia. Across Southeast Asia, South Asia, and Sub-Saharan Africa, SOE corruption recovery deficits reflect analogous structural pathologies: institutional fragmentation, post-conviction restitution dependency, technological capacity gaps, and governance cultures that normalize corruption within public enterprises. The utility-based framework advanced here presents a transferable analytical and policy architecture for jurisdictions seeking to upgrade their SOE corruption governance. Subsequent studies should develop quantitative models estimating the welfare impact of alternative restitution allocation mechanisms and examine the long-term deterrent effects of NCB forfeiture adoption in comparable jurisdictions.

CRedit Authorship Contribution Statement

Laila Mauluda Tunnisa: Conceptualization, Methodology, Writing-original Draft. **Ummi Farhah Usman:** Supervision, Methodology, Writing - review & editing,

Declaration of Competing Interest

The authors declare that they have no competing financial interests or personal relationships that could influence the work reported in this paper.



Data Availability

Data will be made available on request

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