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Website: http://journal.fh.unsri.ac.id/simburcahaya
ISSN : 1410-0614
E-ISSN : 2684-9941

Legitimacy of Account Blocking by Third Parties in the Human Rights Paradigm

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Article Info

Article History:
Received : 02-01-2026
Revised : 02-06-2026
Accepted : 22-06-2026
Published : 29-06-2026

Keywords:
Human Rights; Blocking; PPATK.

DOI.
10.28946/sc.v33i1.5625

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Abstract

Account blocking by third parties, such as the Financial Transaction Reports and Analysis Centre (PPATK), is a crucial issue within the human rights (HAM) paradigm because it restricts individual ownership rights and economic freedom. This study aims to analyse the legitimacy of account blocking without a court decision and to examine PPATK's legal standing among customers, banks, and law enforcement officials. Using a normative juridical method with a statutory and conceptual approach, this study finds that the PPATK does not have attributive authority to block accounts directly but rather has the authority to request a "temporary suspension of transactions" from financial service providers. As a key finding, this study identifies four parameters for assessing the legitimacy of blocking and ensuring it does not violate human rights: the principles of legality, necessity, proportionality, and procedural justice (due process of law). The analysis indicates that the policy of blocking passive (dormant) accounts solely based on administrative status, without any indication of criminal activity, exceeds its authority and contradicts the principles of legality and consumer protection. Therefore, this study recommends applying the Regulatory Impact Assessment (RIA) instrument in formulating blocking policies to ensure transparency, accountability, and a balance between eradicating financial crimes and protecting citizens' basic rights.

INTRODUCTION

The Indonesian Constitution places the protection of human rights and social justice as the main foundation of state administration. This commitment is reflected in the 1945 Constitution of the Republic of Indonesia (UUD NRI, 1945), which has undergone several amendments affirming the state's obligation to guarantee and protect the fundamental rights of every citizen as inherent rights that no party can violate. For example, an individual's financial rights are their ability to access, use, and control financial services and resources in ways that support autonomy, agency, and overall well-being. Article 17 of the Universal Declaration of Human Rights (UDHR) states the regulations regarding financial rights: "Everyone is entitled to own property, either alone or in association with others, and no one shall be arbitrarily deprived of it," which, in principle, affirms the recognition and protection of every individual's right to ownership, either personally or in association with others. Then Article 28H, paragraph (4), of the UUD NRI 1945 states that "everyone is entitled to own private property, and such property may not be taken over arbitrarily by anyone". Thus, money and various forms of financial assets held by individuals can be understood as a manifestation of the human right to ownership. Therefore, the state bears a constitutional obligation to respect, guarantee, and protect this right from all forms of violation.

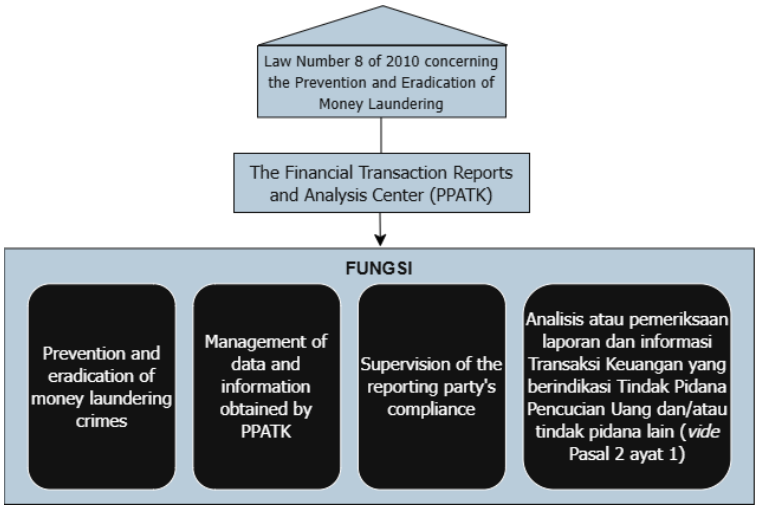
Specifically, blocking an account solely based on dormancy violates the presumption of innocence and the right to secure assets. This is because dormant status is merely an administrative condition in banking and does not automatically prove malicious intent (mens rea) or criminal conduct (actus reus) in money laundering. Blocking an account without notification and without strong evidence of criminal activity creates a quasi-punitive effect, in which the customer loses control of their assets before a legally binding court decision is issued.

However, in practice, human rights are not absolute and limitless. Every right can be limited under certain conditions, or under the "doctrine of limitations" (Thilo & Vera, 2022). Restrictions on the implementation of human rights are in principle justifiable as long as they are intended to guarantee respect for the rights and freedoms of others, as well as to fulfil demands for justice based on moral considerations, religious values, security, and public order within the framework of a democratic society (Virgayani, 2017). In this regard, individual financial rights can be limited by the government to protect broader interests, such as combating money-laundering and other crimes against individuals, as well as anything that threatens the stability of the financial system, the national economy, and the social order. Laundered money often originates

from serious crimes (extraordinary crimes), such as corruption, narcotics, terrorism, human trafficking, and others. If left unchecked, this activity will undermine the foundations of the state and violate the human rights of the wider community to live in a safe, just, and prosperous country.

The Financial Transaction Reports and Analysis Center/*Pusat Pelaporan dan Analisis Transaksi Keuangan* (PPATK) is an independent institution established under Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering (Law 8/2010). Within this framework, PPATK carries out several key functions, as follows:

Figure 1: Functions performed by PPATK



Source: Article 40 of the Money Laundering Law

Furthermore, Article 44 paragraph (1) letter i of Law 8/2010 emphasizes that in the context of carrying out the function of analysis or examination of reports and information as referred to in Article 40 letter d of the Law Number 8/2010, the PPATK has the authority to request financial service providers to temporarily suspend all or part of transactions known or reasonably suspected to be related to the proceeds of crime. However, it should be emphasised that the PPATK is not given attributive authority to block accounts directly, but only to submit requests to financial service providers (banks) to temporarily suspend transactions based on analysis results and initial indications of criminal acts. However, in recent months, the actions of the PPATK have led to a phenomenon of account blocking in Indonesia. This situation has caused its own issues, even though the PPATK is normatively an independent institution free from outside influence.

The blocking of accounts by PPATK, as a third party, serves to fulfil the need to prevent serious, large-scale, organised crimes that directly impact national security and the welfare of

society in Indonesia. From a ratio legis perspective, this step is not intended as a final punishment for someone but rather as a temporary measure to support the prevention and eradication of criminal acts (Fendi et al., 2022). There are at least three main reasons underlying its validity:

1) Preventing serious crimes, particularly money laundering and terrorism financing. Blocking accounts allows authorities to prevent suspicious funds from changing hands, being disguised, or being diverted to other forms that complicate tracking. This allows authorities to trace the origins of funds, map networks, and gather evidence effectively. Blocking acts as a strategic tool to limit the perpetrators' freedom of movement while simultaneously providing a deterrent and preventative effect.
2) Maintaining the integrity of the financial system. Banking and financial institutions operate based on trust. Allowing funds from criminal activity to enter and circulate erodes that trust. The impact extends beyond a single transaction, potentially leading to market distortions, reputational risks for financial institutions, and systemic risks that could disrupt national economic stability. Furthermore, a state's inability to control the flow of illicit funds could lead to international pressure, including sanctions or restrictions on global financial relations, which would undoubtedly harm the nation's broader interests. Therefore, blocking accounts is a crucial step to ensure the financial system remains credible, transparent, and secure from the infiltration of illicit funds.
3) Protecting the public interest. In practice, proceeds from crime are often used to finance activities that are highly detrimental to society at large: from strengthening corruption networks that undermine public services and supporting the drug trade that destroys young people to financing terrorism that causes loss of life and supporting human trafficking, which clearly violates human dignity. By blocking access to these funds, the state not only deprives the perpetrator of the means to continue criminal activities but also directly protects society from real threats. Frozen funds can even serve as a source of restitution or compensation for victims, thereby strengthening the public protection function from a restorative justice perspective.

Although account blocking is intended as a preventive measure to eradicate financial crimes, this practice fundamentally violates human rights, particularly the right to property ownership (property rights) (khofidhotur & Sasmini, 2024). Based on Article 28H, paragraph (4), of the UUD NRI 1945 and Article 17 of the Universal Declaration of Human Rights (UDHR), it

is emphasised that everyone is entitled to own property and that property rights may not be arbitrarily seized. Money stored in an account is a manifestation of individual human rights that the state must protect, so restricting access to it without a strong basis is a serious deprivation of economic rights. However, at this point, human rights principles provide a framework of legitimacy.

For these restrictions to be considered legitimate and not a violation of human rights, they must cumulatively meet four key legitimacy parameters. First, they must be based on the principle of legality, under which any restriction of rights must be regulated by valid laws, such as Law 8/2010 and Law Number 9 of 2013 concerning the Prevention and Eradication of Terrorism Financing (Law 9/2013), to ensure legal certainty and prevent arbitrary state action. Second, restrictions must meet the principle of necessity, meaning that blocking is permitted only in urgent circumstances to prevent real harm to society or state stability, such as efforts to cut off the flow of funds for serious crimes. Third, there is the principle of proportionality, which demands a balance between temporary restrictions on individual rights and broader public benefits; in this case, blocking must not be excessive and must still recognise customers' ownership rights, even if access is temporarily suspended for investigative purposes. Finally, this legitimacy must include the principles of justice and legal procedures (fairness and due process of law), which guarantee transparency, accountability, and the availability of objection mechanisms or legal remedies for affected customers so that the basic rights of citizens remain protected under the supervision of the judicial system(Said et al, 2025).

Legally, the PPATK's authority to conduct its analysis and examination of financial transactions is regulated by Article 44, paragraph (1), of Law 8/2010. Based on this provision, the PPATK has the authority to request reports from reporting parties, obtain information from relevant agencies, submit analysis results to law enforcement officials, and request that financial service providers temporarily suspend transactions suspected of being related to criminal acts. However, it should be emphasised that the PPATK does not have direct authority to block accounts; it is limited to submitting requests to financial service providers, particularly banks, to temporarily suspend transaction activity based on the results of initial analysis. This provision is reinforced by PPATK Regulation Number 18 of 2017, which stipulates that requests for temporary suspension can cover some or all transactions, including account activity, as long as there are initial indications of money laundering or other crimes, the need to expedite the delivery

of significant information, the presence of individuals or entities on the United Nations sanctions list related to terrorism, and other relevant information. Thus, PPATK's authority is preventive and limited, so its implementation must remain subject to and guided by applicable legal provisions.

Within this framework, customers also play a crucial role in preventing administrative issues with their accounts. Customers can be proactive by monitoring account activity and regularly updating data. Active participation by both PPATK and customers will support a more orderly financial system and minimise the risk of detrimental countermeasures. Various studies have discussed the PPATK and its blocking authority. Among the findings are the following:

1) (Deby Amanda Dewi et al., 2025). Their discussion explains PPATK's role in combating money laundering in Indonesia through a qualitative, descriptive approach, leading to an assessment of the institution's operational mechanisms and effectiveness within the national legal and financial system. This study differs from the legal issues discussed here: the normative-doctrinal approach sharpens the legal analysis of PPATK's legitimacy in blocking certain situations while still ensuring legal protection for customers and compliance with applicable regulations.
2) 1. Wahyu Rialdo et al.'s study discusses legal protection for customers regarding the inactive account policy from a human rights perspective by emphasising that the Financial Transaction Reports and Analysis Centre (PPATK) is not given attributive authority to block accounts directly but is only authorised to submit a request to the banking sector to temporarily suspend transactions if there are initial indications of a crime. Meanwhile, this study focuses on the legal rationale of the PPATK's account-blocking policy to explain its legal and moral legitimacy. The policy's legal rationale primarily focuses on ensuring the security of the national financial system, maintaining the stability of the banking sector, and supporting the government's efforts to prevent and address potential financial crimes in Indonesia.

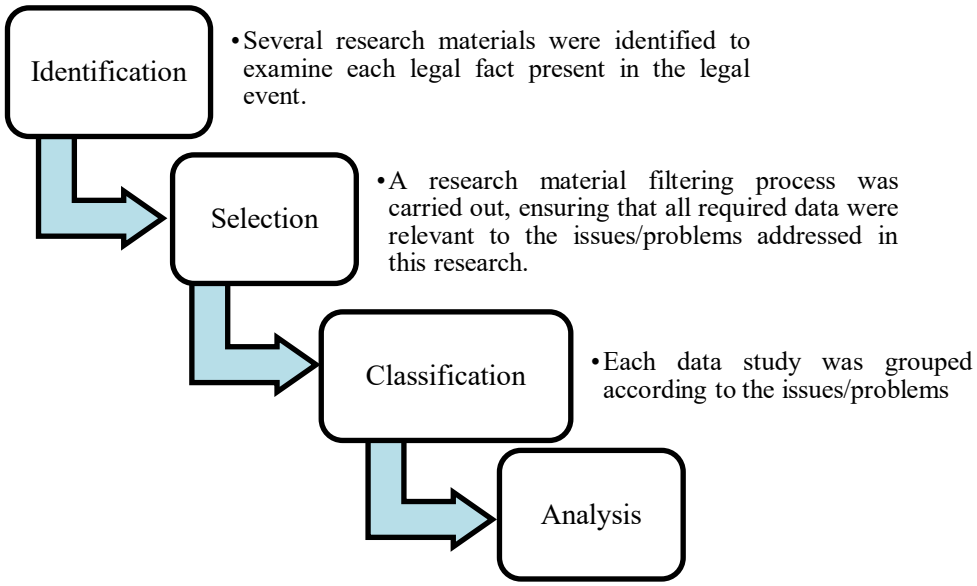
This research aims to provide a more comprehensive perspective on PPATK's authority. Therefore, the legal issues studied focus on PPATK's account-blocking policy, which has implications for individual financial rights and public access to banking services in Indonesia. The study examines the legal basis for implementing this policy within the framework of human rights protection. The direction of this research's usefulness also includes identifying aspects that need to be considered in the implementation of a government policy to avoid conflicts of interest,

ensure consistency of implementation, and ensure that every legal action taken can be legally accounted for, while simultaneously protecting the basic rights of citizens, particularly individual rights in the financial sector.

METHOD

This paper uses a combination of doctrinal normative methods (Peter, 2019) and two approaches, namely 1) the statute approach and 2) the conceptual approach, to comprehensively address the legal issues raised (Reni Et al, 2025). With approach 1, researchers can identify the formal legal framework of the Financial Transaction Reports and Analysis Centre (PPATK) in carrying out blocking and test the legality of its procedures. Approach 2 provides an analytical framework to evaluate the conflict between state authorities in preventing money-laundering crimes, particularly the consistency in implementing temporary transaction suspensions and the closure of inactive (dormant) bank accounts. It also analyses the protection of basic citizen rights, including financial rights.

Figure 2: Data collection stages



Source: Author Team, 2025

This research focuses on a literature review, examining relevant and applicable norms, principles, and positive legal rules. It utilises primary data, including legal instruments, as well as secondary data, such as books, journals, articles, news reports, and legal experts' opinions (Fuad Nur, 2023). As a result, this article not only explains the implications of the blocking policy but

also provides an in-depth analysis of its compliance with human rights principles, making it a significant contribution to legal discourse in Indonesia.

DISCUSSION AND ANALYSIS

1. PPATK's Account Blocking Policy Affects Individuals' Financial Rights and Access to Banking Services

The Asia Pacific Group on Money Laundering (APG) is an independent and collaborative international organisation with a secretariat based in Bangkok, Thailand. Currently, 41 member countries support the APG, along with various international and regional observers. Several strategic organisations, such as the Financial Action Task Force (FATF), the International Monetary Fund (IMF), the World Bank, the OECD, the United Nations Office on Drugs and Crime (UNODC), the Asian Development Bank, and the Egmont Group, play an active role in supporting the APG's agenda and activities. APG member countries are committed to adopting and enforcing international standards to prevent and eradicate money laundering and terrorist financing, specifically the FATF's 40 Recommendations and 9 Special Recommendations (Adhar, 2020). Indonesia officially became a member of the APG in 2000, followed by the issuance of Bank Indonesia Regulation Number 3/10/PBI/2001 on Know Your Customer Principles, which requires financial institutions to identify customers, monitor transaction profiles, and trace the origin of funds. The development of anti-money laundering policies was then strengthened by the ratification of Law Number 15 of 2002 concerning the Crime of Money Laundering, which explicitly mandated the establishment of the Financial Transaction Reports and Analysis Centre (PPATK). This regulation was subsequently updated by Law No. 8 of 2010, which replaced Law No. 15 of 2002, as amended by Law No. 25 of 2003.

The Law on the Prevention and Eradication of Money Laundering is intended to address national interests while aligning with international standards, thereby providing a legal basis that ensures legal certainty, enhances law enforcement effectiveness, and supports efforts to trace and recover assets derived from criminal acts (Toetik, 2013). These policy changes encompass several fundamental aspects, ranging from updating the definition and terminology related to money laundering and refining the formulation of criminalisation to restructuring criminal and administrative sanctions. In the prevention realm, the Know Your Customer principle is strengthened, the reporting party's scope is expanded, and reporting obligations are established for

new sectors. Meanwhile, in terms of supervision and law enforcement, these changes include granting authority to suspend transactions, expanding the Directorate General of Customs and Excise's role and authority, and regulations that allow investigators of predicate crimes to investigate money laundering. The restructuring of its organisational structure and the increase in its authority to terminate transactions also strengthen the PPATK (Financial Transaction Reports and Analysis Centre). This policy also governs the expansion of the distribution system for PPATK analysis results, changes to procedural law, and the strengthening of tools for seizing assets derived from criminal activity (Toetik, 2013). In addition, the policy contains several significant new provisions, including the institutional arrangement of the PPATK, the expansion of the scope of agencies authorised to receive the results of PPATK analyses or examinations, and the addition of PPATK's authority, including the authority to request a temporary suspension of certain transactions.

As an independent institution, the PPATK carries out its duties without interference or influence from any power. Institutionally, the PPATK is responsible to the president and is based in Jakarta. It can establish regional representatives if necessary. The existence and role of the PPATK are significant in analysing financial transactions and in providing information that supports the stages of investigation, prosecution, and court examination of cases. Within this framework, the PPATK essentially functions as a financial intelligence unit in the system of preventing and eradicating money laundering crimes without distinguishing the background of the perpetrators (Najib et al, 2025), whether they come from bureaucrats, technocrats, or elements of legislative, executive, or judicial power, and without assessing the moral aspects or subjectivity of the reported parties. The authority of the PPATK, as regulated in the Law on the Prevention and Eradication of Money Laundering Crimes, can be classified into four categories, as follows:

Table 1: Types of PPATK Authorities

No.	Authority cluster	Types
1.	Authority to carry out the function of preventing and eradicating the crime of money laundering.	The Financial Transaction Reports and Analysis Centre (PPATK) is authorised and responsible for obtaining data and information from government agencies and private organisations that manage information, including those that receive specific professional reports. Additionally, the PPATK is responsible for developing rules to detect suspicious financial transactions and for working with other agencies to prevent money laundering. In addition to providing

		recommendations to the government regarding necessary prevention policies, the PPATK also represents Indonesia in various international organisations and forums engaged in the prevention and eradication of money laundering. Furthermore, the PPATK organises education and training programmes focused on anti-money laundering, including comprehensive training on the prevention and eradication of money laundering.
2.	Authority to carry out data and information management functions.	In carrying out its functions, the PPATK receives, manages, and maintains in a structured manner all data and information related to financial transaction reports from reporting parties. The developed information system then analyses this data to identify indications of money laundering and suspicious financial activity. The results of the analysis are then processed into financial intelligence information that can be used by law enforcement officials, such as the Corruption Eradication Commission and the Indonesian National Police, as well as by international partners in handling cross-border cases. In addition, the PPATK conducts data and information exchanges with various agencies at both the national and international levels to strengthen synergy and cooperation among institutions. To ensure the quality and accuracy of the reports received, the PPATK organises outreach activities and provides technical guidance to reporting parties on how to use the reporting system, thereby increasing compliance levels and maintaining data validity.
3.	Authority to carry out supervisory functions regarding the level of compliance	The Financial Transaction Reports and Analysis Centre (PPATK) can create rules and guidelines for how reporting parties must report, including setting standards for service users who might be at risk of money laundering. To ensure compliance, the PPATK is authorised to conduct compliance and special audits, with the results submitted to the agency responsible for supervising the reporting party. If the PPATK finds that a reporting party has not complied with the reporting rules, it can issue a warning. It may recommend to the relevant authority that penalties be imposed, including the revocation of business licenses. In addition, the PPATK establishes regulations for applying the Know Your Service User principle to reporting parties that are not under the supervision of a specific supervisory and regulatory agency.

4.	Authority to carry out analysis and inspection functions on reports and information	The PPATK has the authority to request and receive reports and information from reporting parties, as well as to obtain additional information from other agencies or parties deemed relevant. Further information requests from reporting parties may be made as a follow-up to analyses already conducted or in response to requests from law enforcement officials or international partners. The PPATK can share all information and analysis results with the appropriate agencies, both in Indonesia and abroad, as part of a team-based approach to combating money laundering.

Source: Analysis of Articles 41-42 of Law No. 8 of 2010 and Author's summary.

To prevent and eradicate financial crimes, such as money laundering, terrorism financing, and fraud, the Financial Transaction Reports and Analysis Centre (PPATK) plays a role in maintaining the integrity of the financial system and protecting customer assets from potential misuse by implementing an account blocking policy, particularly for inactive (dormant) accounts. Since 2024, the PPATK has been conducting more intensive monitoring of bank accounts that show no transaction activity as part of efforts to mitigate the risk of financial crime (Idris, 2025). Accounts with these characteristics, whether savings, checking, or foreign currency, are categorised as inactive after 3 to 12 months, in accordance with each bank's regulations. This condition often arises from a lack of attention by account holders, creating opportunities for criminals to exploit dormant accounts to conceal illegal financial transactions (Atika et al., 2025).

The policy of blocking accounts linked to the Financial Transaction Reports and Analysis Centre (PPATK) has sparked controversy in the community. The controversy was triggered by the categorisation of hundreds of millions of bank accounts that have not shown any activity for a certain period as inactive (dormant) accounts. Normally, the Law on the Prevention and Eradication of Money Laundering Crimes allows the PPATK to request a temporary halt to financial transactions, but only if there is a report of suspicious financial activity to support the request. The authority to directly block funds belonging to individuals or corporations is expressly only possible if the legal subject in question is listed on the List of Suspected Terrorists and Terrorist Organizations (DTTOT) and/or the List for the Prevention of the Financing of Weapons of Mass Destruction (DPPSPM), as determined by the Chief of the Indonesian National Police based on a ruling by the Central Jakarta District Court. This provision does not explicitly make

dormant account status the basis for blocking as stipulated in Article 28, paragraph (3), of the Law on the Prevention and Eradication of Terrorism Financing Crimes.

In the context of the discussion, the main legal issue surrounding the PPATK's actions is the potential for it to exceed its authority and ignore due process of law. Legally, the PPATK only has attributive authority to request a "temporary suspension of transactions" from financial service providers, not to act as the direct executor of account blocking. Clear human rights violations occur when the obligation to notify customers via a report within one business day is ignored, leaving customers in a state of legal uncertainty. As a finding in this study, the legitimacy of third-party account-blocking actions must be tested using strict parameters to determine whether they are legal or constitute a human rights violation (Teguh et al., 2026).

Account Blocking Parameter Variables (Researcher Findings): As a finding in this study, the legitimacy of account blocking actions must be tested using four parameter variables to distinguish between legitimate actions and actions that violate human rights:

a. Principle of Legality: Blocking is considered legitimate if it is explicitly based on the Money Laundering Law or the PPT Law, with strong indications of suspicious transactions. Conversely, actions based solely on a dormant administrative status that is not regulated by law constitute a human rights violation.
b. The Principle of Necessity: Restrictions on property rights are only justified if there is an urgent need to prevent a real threat to the state, such as the financing of terrorism. A violation occurs if the blocking of passive accounts is carried out en masse or experimentally without adequate individual risk analysis.
c. The Principle of Proportionality: Legitimate measures must be temporary (maximum 20 business days) and maintain a balance between public benefit and the protection of customer property rights (Sulaeman et al, 2026). Delays in access to funds constitute human rights violations if they are indefinite or disproportionately affect vulnerable groups dependent on financial access (Denisa et al., 2025).
d. The Principle of Procedural Fairness: Legitimacy requires transparency, official notification, and the provision of an effective complaint mechanism for customers. The lack of access for customers to clarify or reactivate their accounts through legitimate administrative processes is categorised as arbitrary.

Furthermore, Article 12, paragraph (2) of PPATK Regulation Number 18 of 2017 limits the suspension of transactions or blocking of accounts to only three conditions, namely the alleged use of assets resulting from criminal acts, the use of accounts to accommodate funds originating from illegal activities, or the use of unauthorised documents. Inactive account status is not included in these criteria. Thus, it can be concluded that blocking an account without being preceded by the discovery of suspicious financial transactions or initial indications of a connection to a crime does not have an adequate legal basis, so the policy of blocking accounts carried out without fulfilling these prerequisites has the potential to be qualified as an action that exceeds authority and is contrary to the principle of legality.

Regulations regarding blocking accounts based on suspicious financial transactions without having to wait for reports from other parties are stated in Article 47, paragraph 1 of Bank Indonesia Regulation No. 10 of 2024; however, it is necessary to comply with applicable procedures to block customer/public accounts with the following conditions:

a. Identification of suspicious transactions, namely the PPATK's activities in analysing transaction reports submitted by banks or financial institutions;
b. Providing blocking recommendations: This is done if strong indications are found, in which the PPATK sends a letter requesting a temporary suspension of transactions or blocking from the relevant bank.
c. The bank must block the account within 24 hours of receiving the request, implementing it immediately and without notifying the service user.
d. Reporting to investigators, namely, the PPATK's obligation to provide information regarding the blocking process to law enforcement officials, such as the police or the Corruption Eradication Commission, for follow-up on the relevant transactions;
e. Implementing false positive and false negative risk mitigation, namely the PPATK's steps to control and minimise the potential for misidentification upon receipt of the List of Suspected Terrorists and Terrorist Organisations (DTTOT) and/or the List for Prevention of the Financing of the Proliferation of Weapons of Mass Destruction (DPPSPM).

The Financial Services Authority (OJK) regulates account blocking for financial service providers, stating in Article 53 paragraph (4) (Peraturan Otoritas Jasa Keuangan, Nomor 08; Tahun, 2023) that account blocking must be carried out immediately if there is a match between the customer's identity and the DTTOT or DPPSPM, regardless of whether the account is dormant.

Therefore, it can be concluded that the dormant account blocking policy does not meet the requirements for account blocking and is inconsistent with the Financial Services Authority (OJK) regulations.

According to the Financial Transaction Reports and Analysis Centre (PPATK), the total value of funds in the blocked accounts reached Rp428.61 billion. However, some of these accounts were not opened solely for illegal activities. Some accounts were opened for administrative or temporary purposes, such as to obtain banking promotions, demonstrate bank services, distribute social assistance, or because the account holder no longer remembered opening an account with a particular bank (Gusti, 2025). The government seems to have overlooked these factors when formulating policies. Implementing account blocking without examining the background or reasons for an account's inactivity reflects a less-than-proportionate policy approach. Therefore, the government should implement a comprehensive Regulatory Impact Assessment (RIA) mechanism to ensure that any policies adopted do not adversely affect the public and to avoid formulating policies that are experimental or that ignore other legal, social, and economic considerations.

The policy of blocking accounts to combat criminal activities, such as online gambling and other illegal financial transactions, is part of the implementation of the National Movement to Prevent Money Laundering and Terrorism Financing. This initiative aims to create a national ecosystem free of prohibited practices, including fraud, money laundering, and online gambling. However, to ensure this policy is applied fairly and does not harm innocent people, the relevant authorities, especially the Financial Transaction Reports and Analysis Centre (PPATK), must always be careful, transparent, and fair in all their decisions (Farhan, 2025).

Public criticism of PPATK's policy of blocking dormant accounts has caused injury and undermined public trust in banks and financial institutions. Implementing a dormant-account blocking policy without adhering to prudential principles can cause hardship for the public. Rural communities with limited infrastructure experience this impact, leading to a relatively low frequency of financial transactions. Furthermore, the dormant account blocking policy also has the potential to target vulnerable groups, such as the elderly, retirees, informal sector workers, and individuals who have experienced layoffs, whose socio-economic conditions are at greater risk of being impacted by restrictions on access to bank accounts (Prakarsa, 2025).

Blocking dormant accounts violates individuals' financial rights and access to banking services, as it can hinder transactions and raise concerns about the security of funds. Although PPATK's blocking aims to prevent the misuse of dormant accounts for criminal activities, this action has drawn complaints from customers who consider it unfair and can cause business losses for active account holders who are mistakenly flagged as dormant. This policy has the potential to harm consumer rights in the financial services sector, particularly banking customers. It has implications for non-compliance with laws and regulations governing consumer protection, banking, personal data protection, and the development and strengthening of the financial sector (P2SK).

Under Article 4 of Law Number 8 of 1999 concerning Consumer Protection, every consumer has the right to comfort, security, and safety when using goods and/or services (Farid et al., 2024). When linked to the PPATK's policy of blocking inactive (dormant) accounts, this policy has the potential to violate individual rights, especially the rights of banking customers to comfort and security when using banking products and services. In practice, blocking these accounts can hinder people from conducting financial transactions. Apart from the perspective of consumer protection, the policy of temporarily suspending dormant accounts also has the potential to conflict with the provisions of Article 29, paragraph (2) of Law Number 10 of 1998 concerning Banking, which requires banks to maintain customer confidentiality and provide services fairly and proportionally. Blocking dormant accounts without clear evidence of criminal activity is unfair in policy implementation, can violate community rights, and can ultimately cause losses for customers.

2. PPATK's Legislative Ratio in Implementing Account Blocking in Accordance with Human Rights Principles

The Financial Transaction Reports and Analysis Centre (PPATK) is an independent institution established to prevent and eradicate money laundering. Therefore, before further examining the authority of PPATK to block inactive (dormant) accounts, it is necessary first to understand the position, duties, and functions of PPATK as regulated in Presidential Regulation Number 10 of 2022 (Aturan Presiden Nomor 10 Tahun 2022 tentang Organisasi dan Tata Kerja Pusat Pelaporan dan Analisis Transaksi Keuangan). Therefore, it can be understood that the Financial Transaction Reports and Analysis Centre (PPATK), in carrying out its duties and functions, is independent and free from interference and influence from any party's power, as stated in Article 2, paragraph (2)

of Presidential Regulation Number 10 of 2022. However, an accountability mechanism accompanies the principle of independence, as PPATK is directly accountable to the president. This position emphasises that PPATK does not merely function as a technical institution but is an integral part of the national legal system, playing a strategic role in maintaining financial system stability while supporting efforts to prevent and eradicate money laundering.

Furthermore, blocking is carried out for a specific period, not necessarily removing a person's ownership rights, but merely suspending their use for investigative or inquiry purposes (Denis, 2019). This means that the account holder retains legal recognition of their assets, even if their use is temporarily restricted for the greater public interest. To prevent arbitrary actions, the law also provides mechanisms for objections and legal protection, such as filing a lawsuit or filing a complaint in court. This process ensures due process of law, protecting individual rights despite certain restrictions.

Account blocking is positioned as an operational tool to prevent and eradicate systemic and dangerous financial crimes. In practice, this action is not interpreted as a final sanction against the account holder but rather a temporary measure designed to halt the circulation of funds suspected of originating from or intended for use in criminal activities. Its primary function is to prevent suspected assets from changing hands, being hidden, or being altered in ways that make them difficult to trace, thereby enabling effective origin tracing, evidence collection, and the identification of criminal networks. Thus, blocking allows law enforcement and authorised authorities to conduct forensic analysis of transactions, map the flow of funds across accounts and institutions, and gather evidence necessary for subsequent legal proceedings. Beyond these technical aspects, blocking also serves a preventative function: the threat of it forces perpetrators to be more cautious or cease attempts to disguise the proceeds of crime, thereby reducing the opportunity for criminal activities that rely on formal financial channels to continue.

The financial system should operate based on trust, transparency, and compliance. Allowing illicit funds to flow freely through banks and other financial institutions threatens the integrity of the entire system. Illicit flows can create market distortions, such as rapid capital movements to fund illicit activities or manipulate prices, which in turn disrupt sound capital allocation mechanisms. Furthermore, financial institutions that serve as conduits for illicit funds face reputational and legal risks, and countries may face international pressure, including restrictions on correspondent banking relationships, increased cross-border transaction costs, or

sanctions that worsen liquidity and investment conditions. The aggregate impact is not simply a problem for a single account or actor but also a potential disruption to macroeconomic stability, including capital flows, exchange rates, and investor confidence, ultimately harming the public interest and long-term development. Therefore, blocking accounts aimed at disrupting the flow of criminal funds is a proactive measure to maintain the reliability and resilience of the financial system and prevent negative domino effects that could escalate if preventative measures are not taken.

The final aspect of this legal ratio emphasises the real social impact of the circulation of criminal funds (Damiano & Giovanni, 2010), in which money obtained or transferred illegally often becomes a resource financing activities that undermine social, economic, and humanitarian order. Criminal funds can strengthen corrupt networks that undermine public services and trust in state institutions; support drug trafficking that destroys public health and productivity; provide logistics and payments to terrorist groups that cause loss of life and fear; and finance human trafficking networks that exploit and violate human rights. By blocking perpetrators' access to these funds, the state reduces their ability to continue operations that harm the public and simultaneously reduces the economic incentive to commit crimes. Blocking measures also have a protective effect on potential victims and the wider community, for example, by seizing assets that could serve as sources of restitution or compensation in the future and by supporting law enforcement efforts to break the chain of crime and restore harmed public interests.

Thus, the legality of PPATK's account blocking is consistent with human rights principles. While this action limits one aspect of individual rights, the restriction serves a greater purpose: protecting the national financial system, maintaining public order, and safeguarding society from the dangers posed by organised crime. As long as the blocking is implemented in accordance with applicable laws and regulations, adheres to the principle of proportionality, and provides legal protection mechanisms for affected parties, the policy can be considered legally valid and in line with the human rights protection framework.

3. Compliance of the PPATK's Ratio Legis in Blocking Accounts with Human Rights Principles

The blocking of accounts by the PPATK cannot be viewed as arbitrary, as its implementation is always based on the principle of legality. This principle requires that any restrictions on citizens' rights be based on valid legal grounds, not on officials' discretion. In this regard, the PPTPPU Law and the P2TPPT Law provide the primary legitimacy, granting the PPATK authority. With clear regulations, account blocking can be legally justified, demonstrating that the state's actions remain within the rule of law rather than repressive measures that violate human rights.

Presidential Regulation Number 10 of 2022 provides an additional legal basis for implementing PPATK's functions. Article 3 of the regulation emphasises that PPATK's primary duty is to prevent and eradicate money laundering. Within this framework, the account-blocking policy can be understood as a preventive instrument inherent to PPATK's strategic function and therefore cannot be automatically classified as arbitrary. The blocking of inactive (dormant) accounts serves several purposes: preventing irresponsible parties from using accounts, protecting legitimate account owners, and maintaining the integrity and security of customer funds. Furthermore, the PPATK emphasised that the blocking is carried out as a form of protection, not confiscation, so that customer funds remain intact and are not lost. Customers affected by the temporary suspension retain full rights to their funds. They can submit a request for account reactivation through the relevant bank branch office, provided they comply with established procedures. In addition, customers can also contact the PPATK for further information regarding the status of their accounts.

Furthermore, the implementation of blocking also reflects the principle of necessity, emphasising that restrictions on rights are only permitted when there is an urgent need, namely to prevent real danger to society or the state (Ian, 2009). Account blocking is not applied to all customers immediately; it is carried out only when there is strong evidence that the account is linked to crimes such as money laundering or terrorism financing. Thus, it is clear that this restriction action is not carried out carelessly but is truly prioritised in situations that threaten the public interest.

Likewise, from the perspective of proportionality, account blocking demonstrates a balance between individual rights and the public interest (Gisymar et al). Although ownership rights to assets are restricted, these restrictions are temporary and last only until the investigation and

inquiry process is completed. Account owners retain their ownership rights, but access to them is suspended to protect the greater good, namely maintaining the integrity of the financial system and protecting society from the negative impacts of serious crimes. Compared with the broader benefits to society, the temporary losses individuals experience are far smaller, such as preventing the financing of terrorism, eradicating narcotics, and cutting off the flow of funds from corruption. This confirms that the restrictions are implemented reasonably, not excessively, and proportionally to the objectives to be achieved.

Finally, blocking actions also do not ignore the principles of fairness and due process of law (4). Account holders who feel aggrieved do not lose their legal rights, as they may still file objections or defend themselves through the judicial system (Syamsul et al., 2025). This process ensures transparency and oversight, preventing blocking from becoming a repressive tool that harms certain parties. The existence of a legal mechanism also ensures equal treatment before the law for both individuals and corporations. This upholds the principle of justice, allowing the state to continue to guarantee citizens' basic rights despite certain restrictions (Rendy et al., 2024).

In the Indonesian legal system, the PPATK is an independent institution established under the Law on the Prevention and Eradication of Money Laundering (PPTPPU Law). This position places the PPATK as an institution responsible for analysing, examining, and forwarding reports of suspected criminal financial transactions to law enforcement officials. However, under the law, the PPATK is not authorised to block customer accounts directly. This is explicitly stipulated in Article 44, paragraph (1) of the PPTPPU Law and reinforced by PPATK Regulation Number 18 of 2017, which states that the PPATK's authority is limited to requests from financial service providers to suspend transactions, either partially or completely temporarily. Therefore, PPATK's role lies in making proposals, coordinating, and supervising. At the same time, the technical implementation of account blocking remains the responsibility of the financial service provider or the competent authority, in accordance with statutory provisions. This limitation of authority has significant implications for human rights, particularly regarding property rights. The temporary suspension of transactions is essentially a form of restriction of rights, which in human rights doctrine can only be justified if it meets three basic requirements: legality, namely, it must be based on statutory regulations; necessity, namely, it must be carried out only in necessary circumstances; and proportionality, namely, the restriction must be commensurate with the desired objective. The PPTPPU Law clearly states the legal basis for account blocking. The goal is also legitimate,

namely to protect the national financial system from the threat of serious crimes such as money laundering and terrorism.

Furthermore, the principles of accountability and transparency (iv) in the blocking procedure are crucial to ensuring that the PPATK's actions do not shift from a preventive to a repressive function. Therefore, mechanisms for objection and legal review remain necessary to protect individual rights. In this way, the state can maintain financial system stability while respecting human rights principles. This description emphasises that the PPATK's authority to block accounts aligns with human rights principles, as the restrictions imposed are not arbitrary; they are limited by law, implemented proportionately, and supported by legal protections for affected parties. In fact, imposing direct limits on the PPATK's power to block accounts strengthens the principles of a democratic, rule-of-law state. Therefore, regulations prohibiting the PPATK from directly blocking accounts can be considered an instrument for human rights protection while ensuring that the PPATK's authority remains within legitimate, measurable legal boundaries.

CONCLUSION

The legitimacy of account blocking by a third party (the Financial Transaction Reports and Analysis Centre) within the human rights paradigm is considered valid only if it meets four main parameters: legality, necessity, proportionality, and procedural fairness. Blocking is a violation of property rights protected by Article 28H, paragraph (4) of the 1945 Constitution of the Republic of Indonesia and Article 17 of the UDHR. This action is justified only in the greater public interest, such as eradicating money laundering and terrorism financing, and only if it is temporary and has a strong legal basis. However, the policy of mass blocking dormant accounts without individual risk analysis failed to meet these parameters because it ignored the principles of legality and notification obligations, potentially resulting in arbitrary action that harms customers' economic rights. PPATK's position in banking legal relations is that of an independent financial intelligence unit with limited, preventive authority. The PPATK is not authorised to act as the direct executor of account blocking. Their authority is limited to submitting a request to the bank to temporarily suspend transactions based on the results of an analysis of suspicious transactions. This limitation of power serves to protect human rights and embodies the principle of the rule of law, preventing the abuse of authority. To maintain public trust in the banking system, any blocking policy must

be implemented transparently through due process mechanisms that allow customers to file clarifications or appeals through available legal channels.

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