



Asset Recovery as an Instrument of Criminal Law Enforcement for Recovering State Financial Losses

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ABSTRACT

This study examines the role of asset recovery in criminal law enforcement and the legal mechanisms available to recover losses to state finances in Indonesia. It applies normative legal research using statutory and conceptual approaches. The primary legal materials include Indonesia's anti-corruption legislation, the Mutual Legal Assistance Law, and the United Nations Convention against Corruption, supported by legal scholarship, academic publications, and relevant institutional documents. The findings indicate that asset recovery has become an important part of criminal law enforcement because it shifts the focus beyond the punishment of offenders toward the recovery of unlawful economic benefits and the restoration of state financial losses. In practice, asset recovery may involve asset tracing, seizure, confiscation, replacement-money orders, asset management, execution, and international cooperation when assets are transferred or held abroad. These mechanisms give asset recovery repressive, restorative, and preventive functions. However, its implementation still faces several challenges, including the concealment and transfer of assets, evidentiary difficulties, weak coordination among institutions, problems in managing confiscated property, and cross-border jurisdictional barriers. The study concludes that stronger regulations, better financial investigation capacity, improved institutional coordination, effective asset management, and closer international cooperation are needed to make asset recovery more effective in restoring state financial losses.

INTRODUCTION

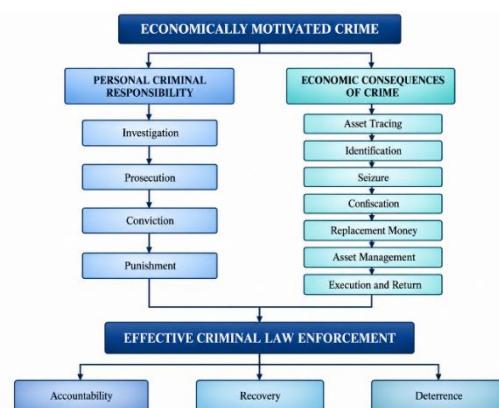
Indonesia is a state based on law in which legal institutions are expected to protect public interests, provide legal certainty, and uphold justice. Within this framework, criminal law enforcement cannot be understood solely as a process of identifying an offender, proving guilt, and imposing punishment (Arifin et al., 2025). It must also respond to the consequences generated by crime. This broader understanding becomes particularly important in offences motivated by economic gain because the harm is not exhausted by the offender's unlawful conduct; it also includes the transfer, concealment, conversion, or enjoyment of assets obtained through that conduct (Rahman & Maizaroh, 2024; Sulastri et al., 2025).

Corruption represents one of the clearest examples of this problem. Corruption does not merely violate criminal prohibitions (Dimant & Schulte, 2016; Wyatt et al., 2018; Yustia & Arifin, 2023). It may reduce state financial resources, interfere with public administration, weaken development capacity, and diminish the funds available for public services. For that reason, an enforcement policy that succeeds in imprisoning offenders but fails to recover the proceeds or economic benefits of corruption only addresses part of the problem. The offender may lose personal liberty while illicit assets remain available to the offender, relatives, nominees, business entities, or other related parties. In such circumstances, the economic objective of the offence may survive the criminal process (Bohlander, 2017).

Indonesian anti-corruption law already recognises the need to address this economic dimension. Law No. 31 of 1999 on the Eradication of Corruption, as amended by Law No. 20 of 2001, provides a legal basis for additional sanctions that include

confiscation of certain property and the payment of replacement money (Lukito, 2016; Triatmanto & Bawono, 2023). These mechanisms show that Indonesian criminal policy does not operate exclusively through custodial or punitive sanctions. It also provides tools for removing benefits obtained through crime and for restoring state financial interests.

Figure 1. The Dual Orientation of Criminal Law Enforcement in Asset Recovery



Source: processed by the researcher (2026)

Figure 1 illustrates that criminal law enforcement against economically motivated offences requires two complementary orientations. The first concerns personal criminal responsibility, which is addressed through investigation, prosecution, conviction, and punishment. The second concerns the economic

consequences of crime, which require the tracing, securing, confiscation, management, and recovery of illicit assets. Integrating these two dimensions enables criminal law enforcement to pursue not only offender accountability but also the restoration of state financial interests and the reduction of economic incentives for crime.

The logic of asset recovery is therefore closely connected to the dual consequences of corruption and other economically motivated offences. First, there is the question of personal criminal responsibility: whether an individual or legal subject can be held accountable for an offence. Second, there is the question of economic consequence: whether assets derived from the offence can be identified, secured, confiscated, managed, and ultimately returned or converted into value for the state (Triatmanto & Bawono, 2023). An effective criminal justice response should address both. A system that punishes without recovery may produce formal accountability, but it leaves the material consequences of the offence unresolved (Kontesa & Fernando, 2025).

Asset recovery may be understood as a sequence of legal and institutional measures directed toward finding, identifying, tracing, securing, seizing, confiscating, managing, executing, and returning assets derived from or connected with criminal activity (Nugroho & Handayani, 2025). In institutional practice, the concept includes the tracing of assets belonging to or controlled by suspects, defendants, convicted persons, or related parties; the management of evidence, seized property, and confiscated property; and the execution of final legal decisions. Asset recovery is therefore not a single procedural step. It is a chain of interdependent actions in which failure at an early stage, such as tracing or securing an asset, may undermine later stages of confiscation and recovery (Ghondohi et al., 2025).

The international legal framework reinforces this orientation. Indonesia ratified the United Nations Convention against Corruption (UNCAC) through Law No. 7 of 2006. Chapter V of UNCAC places asset recovery at the centre of the international anti-corruption regime and identifies the return of assets as a fundamental principle. This international framework is particularly relevant because proceeds of corruption can be transferred across jurisdictions, hidden through layered transactions, placed in bank accounts, converted into land or buildings, invested in companies or securities, or registered in the names of third parties. The transnational movement of assets makes purely domestic enforcement insufficient in many cases and requires cooperation between states (Juwita, 2018; Semendawai & Kusnadi, 2026).

The practical importance of asset recovery is also reflected in Indonesian enforcement experience. The Corruption Eradication Commission (Komisi Pemberantasan Korupsi, KPK) reported asset recovery of approximately IDR 739.6 billion in 2024 through several mechanisms, including replacement money, confiscated property, grants, and the utilisation of seized assets. This figure demonstrates that asset recovery is not merely a theoretical component of anti-corruption law; it has direct fiscal consequences. At the same time, practical difficulties remain. In 2024, KPK also reported approximately 241 confiscated assets worth around IDR 400 billion that had not yet been fully resolved, many of them consisting of land and buildings. These figures indicate that identifying and confiscating property do not

automatically ensure that the property can be efficiently administered or converted into value for the state (Ayu et al., 2025; Jundari, 2024).

The challenges become even greater when assets are located abroad. Indonesian authorities cannot unilaterally seize property situated within another state's jurisdiction. Cross-border recovery therefore depends on international legal cooperation (Istiqomah & Milania A, 2026). Law No. 1 of 2006 on Mutual Legal Assistance in Criminal Matters provides a national legal basis for assistance in criminal investigations and proceedings, including measures related to the search for, seizure of, and action against proceeds of crime. UNCAC similarly encourages cooperation in identification, tracing, freezing, seizure, confiscation, and return of assets. These mechanisms make asset recovery not only a question of domestic criminal procedure but also a matter of inter-jurisdictional coordination (Rose, 2017).

Asset recovery nevertheless has to operate within rule-of-law guarantees. Property cannot be treated as criminal proceeds merely because it is associated with a suspect or defendant. A lawful connection between the property and the offence must be demonstrated according to applicable evidentiary standards and procedural rules. The rights of bona fide third parties also require protection (Suhartono & Panjaitan, 2025). Thus, effectiveness cannot be pursued at the expense of legality, due process, proportionality, or property rights. The central challenge is to build an asset recovery system that is strong enough to deprive offenders of unlawful gains while remaining subject to legal safeguards (Shalihah et al., 2026).

A further difficulty concerns asset management. Seized and confiscated assets may take many forms, including cash, land, buildings, vehicles, shares, corporate interests, and other valuable property. Such assets do not retain their value automatically. Vehicles may depreciate, buildings may deteriorate, businesses may lose viability, and land may be affected by administrative or title disputes. Recovery must therefore include transparent and accountable management from the moment assets are secured until they are executed, transferred, sold, used, or otherwise disposed of according to law (Tyogunawan et al., 2026).

These issues reveal a broader transformation in criminal law enforcement. Traditional offender-centred enforcement asks who committed the offence and what punishment should be imposed. Asset-oriented enforcement adds a further question: what happened to the economic benefits of the offence? For profit-driven crime, this question is essential. If the offender or related parties can continue to enjoy criminal proceeds, punishment may fail to remove the incentive that motivated the crime. Conversely, effective tracing and recovery reduce the economic reward associated with unlawful conduct and can reinforce both accountability and deterrence.

This article therefore analyses asset recovery as an integral instrument of criminal law enforcement for restoring state financial losses. It focuses on two connected issues: first, the legal and conceptual position of asset recovery within the broader objectives of criminal enforcement; and second, the mechanisms through which asset recovery operates in the Indonesian legal system. The article argues that asset recovery expands the orientation of criminal justice from punishment toward recovery and that its effectiveness depends on the integration of tracing, seizure, confiscation, replacement-money orders, management,

execution, and international cooperation. By examining these elements as a connected process, the study seeks to clarify why recovery must be treated as a core component of enforcement against economically motivated crime rather than as a secondary consequence of conviction.

METHOD

This study uses normative legal research. The focus is not on collecting empirical data from respondents or measuring enforcement outcomes statistically, but on examining the legal norms, principles, concepts, and institutional arrangements that govern asset recovery and the restoration of state financial losses. Normative legal research is appropriate because the central questions concern the legal position of asset recovery, the relationship between recovery and criminal enforcement, and the mechanisms recognised by Indonesian law (Nurhayati et al., 2021).

Two approaches are employed. The first is the statutory approach, which examines legislation and legal instruments relevant to corruption, seizure, confiscation, replacement money, international cooperation, and asset recovery. The principal national legal materials include Law No. 31 of 1999 on the Eradication of Corruption as amended by Law No. 20 of 2001, Law No. 7 of 2006 ratifying the United Nations Convention against Corruption, and Law No. 1 of 2006 on Mutual Legal Assistance in Criminal Matters. The international dimension is examined through UNCAC, particularly Chapter V on asset recovery.

The second is the conceptual approach. This approach is used to analyse asset recovery as part of criminal law enforcement and to examine its relationship with the objectives of punishment, the protection of state financial interests, prevention, restoration, due process, and the rights of third parties. The conceptual approach is important because asset recovery cannot be reduced to confiscation alone. It encompasses a sequence of measures beginning with asset tracing and continuing through securing, seizure, confiscation, management, execution, and return (Wulandari, 2026).

The legal materials consist of primary and secondary sources. Primary legal materials comprise legislation and relevant international legal instruments. Secondary materials include legal textbooks, scholarly writings, institutional publications, and documents issued by enforcement bodies, especially KPK materials concerning asset recovery practice. The materials are analysed qualitatively using a descriptive-analytical method. The analysis first identifies the legal basis and procedural components of asset recovery, then interprets their function within criminal law enforcement, and finally evaluates the principal constraints that may prevent recovery from producing an effective restoration of state losses. The analysis is doctrinal in character and therefore does not claim to measure the actual performance of every enforcement institution or the total amount of recoverable state loss (Colorafi & Evans, 2016).

RESULTS AND DISCUSSION

The Position of Asset Recovery in Criminal Law Enforcement

Criminal law enforcement is generally understood as the process by which criminal norms are translated into concrete legal action. In its conventional form, this process is centred on the offender: investigators identify suspected conduct,

prosecutors construct a case, courts determine guilt, and sanctions are imposed. Such an approach remains essential, but it is incomplete for offences that generate financial benefit. The economic consequences of crime can persist after conviction, particularly when property obtained through unlawful conduct remains outside the reach of the state (Boucht, 2019).

Asset recovery responds to this limitation by shifting part of the enforcement focus from the offender to the proceeds and instrumentalities of crime. This does not replace personal criminal responsibility. Rather, it complements it. Imprisonment or other punishment addresses the offender's culpability, while asset recovery addresses the economic consequences of the offence. The two dimensions pursue related but distinct objectives. One asks what legal consequence should follow from the offender's conduct; the other asks how unlawful economic benefit can be removed and how the injured financial interest can be restored.

This complementary role is especially significant in corruption cases. Corruption frequently produces a measurable economic benefit for the offender and a corresponding loss or deprivation for the state. If the criminal process stops at imprisonment, the legal system may punish the individual while failing to recover the value transferred through the offence. Asset recovery therefore gives practical content to the proposition that crime should not generate a lasting financial advantage.

The Indonesian legal framework reflects this orientation. Anti-corruption legislation recognises confiscation and replacement money as additional sanctions. These measures demonstrate that the criminal justice system does not treat the economic dimension of corruption as incidental. Confiscation permits the state, through lawful judicial mechanisms, to take control of property connected with the offence. Replacement money imposes an obligation directed toward restoring economic value associated with corruption. The legal significance of these measures lies in their ability to connect criminal responsibility with material recovery.

UNCAC strengthens the same orientation at the international level. By treating asset recovery as a fundamental principle, the Convention recognises that anti-corruption enforcement cannot be effective if offenders are convicted while stolen or illicitly obtained assets remain beyond recovery. The Convention's focus on identification, tracing, freezing, seizure, confiscation, and return illustrates that asset recovery is best understood as a process rather than a single sanction. It also reflects the reality that the movement of assets often exceeds national boundaries and requires cooperation between legal systems.

From the perspective of criminal policy, asset recovery performs at least three functions. The first is repressive. Confiscation and related measures deprive offenders or associated parties of assets derived from criminal conduct. This is repressive because the state actively removes unlawful economic benefit through legal authority. The second is restorative. Recovery seeks to return value to the state or to the party legally entitled to it, thereby addressing part of the economic harm generated by the offence. The third is preventive. When potential offenders understand that illicit wealth can be traced and removed, the expected economic benefit of crime is reduced.

These functions overlap and reinforce one another (Pleggenkuhle, 2018).

The preventive dimension deserves particular attention. Economically motivated offences are often committed because the expected financial return is perceived to exceed the risk of detection and punishment. A system that imposes imprisonment but allows the proceeds to remain hidden may not fully disrupt this calculation. By contrast, effective recovery changes the expected outcome of the offence. The offender faces not only criminal punishment but also the loss of the financial benefit that motivated the unlawful conduct. In this sense, asset recovery operates as part of a broader strategy to reduce the profitability of crime.

The restorative dimension is equally important in cases involving state financial losses. The consequences of corruption are not always experienced by a single identifiable victim. The loss may be distributed across public budgets and may affect the state's ability to finance services, development, education, health, infrastructure, and other collective needs. Recovering assets cannot automatically reverse every social consequence of corruption, but it can restore part of the material resources removed from the public sphere. Recovery therefore links criminal enforcement to the protection of collective financial interests.

Asset recovery also represents an expansion in the orientation of punishment. Modern criminal law increasingly recognises that justice may require more than the infliction of suffering or restriction on the offender. Where crime produces identifiable economic harm, the legal response should also consider restoration. In corruption cases, the transition from punishment alone toward punishment plus recovery is particularly significant because the state has both a punitive interest and a proprietary or financial interest in the value that has been lost.

This expanded orientation, however, must remain subject to the rule of law. Strong recovery powers can affect property rights and may also affect persons who are not criminally responsible. For that reason, the connection between an asset and a criminal offence must be legally established. Third parties who acquire or control property lawfully and in good faith require protection. Due process, evidentiary standards, judicial oversight, and proportionality are therefore not obstacles to recovery; they are conditions of its legitimacy. A sustainable recovery system must be capable of acting quickly while still allowing legal challenges and protection of legitimate ownership.

The position of asset recovery in criminal law enforcement can therefore be described as integral rather than supplementary. It is integral because the economic dimension of profit-driven crime cannot be fully addressed through punishment alone. It is also integral because the various stages of recovery are closely connected to investigative and prosecutorial strategy. Asset tracing that begins too late may allow assets to disappear. Seizure without proper management may reduce value. Confiscation without effective execution may produce a judgment with little fiscal effect. The success of recovery thus depends on treating the entire asset cycle as part of the criminal enforcement process.

Asset Tracing and Identification

The first operational stage of asset recovery is tracing and identification. The state cannot seize or confiscate property that it cannot locate or connect to criminal activity. Asset tracing therefore provides the factual foundation for subsequent legal measures. It seeks information on property owned, controlled, used, transferred, or indirectly enjoyed by suspects, defendants, convicted persons, and related parties (Christian et al., 2025).

Tracing cannot be limited to assets formally registered in the offender's name. Proceeds of crime may be transferred to relatives, business partners, nominees, shell companies, or other intermediaries. They may also be converted from one form into another. Cash can be deposited into bank accounts, transferred through multiple transactions, used to purchase land or buildings, converted into vehicles or securities, or invested in business entities. The formal title may therefore differ from the beneficial control or economic origin of the asset.

The growing use of electronic transactions and financial technology increases the complexity of tracing. Funds can move quickly across accounts and jurisdictions, and layered transactions can obscure the relationship between the original offence and the final asset. This makes financial investigation a crucial component of criminal investigation. Investigators require the ability to reconstruct transaction flows, compare lawful income with accumulated wealth, identify suspicious transfers, and connect assets to relevant persons and events.

The source material emphasises that tracing should begin at an early stage because delay provides opportunities for offenders to move, hide, sell, or transform assets. This observation has important legal and institutional implications. Asset recovery should not be treated as an activity that begins only after conviction. Investigative strategy should incorporate asset questions from the outset: what assets exist, where are they located, who controls them, how were they acquired, and what measures are necessary to preserve them until final adjudication?

Early tracing also supports the later enforcement of replacement-money obligations. A court may order the payment of replacement money, but execution will be difficult if authorities have no information on the offender's property. Thus, tracing is not only a preliminary step toward confiscation. It is also a practical condition for making financial sanctions enforceable (Esoimeme, 2020).

Confiscation and the Removal of Criminal Proceeds

Confiscation is one of the principal instruments through which asset recovery produces a final transfer of control. In the context of corruption, confiscation can operate as an additional criminal sanction under the applicable anti-corruption legislation. Its object is property connected to the criminal offence rather than the personal liberty of the offender (Fernandez-Bertier, 2016).

The importance of confiscation lies in its ability to transform the principle that crime should not pay into a concrete legal consequence. Where an asset has been proven to derive from or to be connected with an offence, confiscation enables the state to remove the economic benefit and prevent continued enjoyment by the offender or related parties. In this respect, confiscation is different from imprisonment and from a conventional fine. It is

directed specifically at the asset or value linked to the criminal conduct.

The source document also notes the development of modern legal thinking toward forms of confiscation that may not always depend on a successful criminal conviction, provided that an adequate legal basis and sufficient proof exist. The manuscript does not analyse a specific Indonesian non-conviction-based confiscation regime in detail, so this article does not go beyond that point. What can be concluded from the source is that any expansion of confiscation powers would still have to comply with legality, due process, evidentiary requirements, and protection of property rights.

This caution is important because asset recovery policy must avoid a false choice between effectiveness and rights. A strong confiscation regime may be necessary to address sophisticated concealment, but excessive or unclear powers may create legal uncertainty. The more extensive the state's authority over property, the more important it becomes to define the conditions, procedures, standards of proof, and remedies governing that authority.

Replacement Money as a Recovery-Oriented Sanction

Indonesian anti-corruption law also recognises replacement money as an additional sanction. The purpose of replacement money differs from that of an ordinary fine. A fine is imposed as punishment and is generally determined within a statutory penalty framework. Replacement money is more directly connected to the value obtained or lost through the corrupt conduct. Its orientation is therefore more explicitly restorative (Sari et al., 2026).

This mechanism is particularly important when specific assets cannot be returned in their original form. Criminal proceeds may have been spent, transferred, converted, or mixed with other property. In such circumstances, an obligation to pay replacement money allows the legal system to pursue equivalent economic value rather than limiting recovery to an identifiable physical asset.

Nevertheless, the effectiveness of replacement money depends on execution. A legal obligation without reachable assets may be difficult to realise. If property has been hidden, transferred, or placed beyond the jurisdiction, the state may face significant barriers in enforcing the order. This again demonstrates the interdependence of recovery mechanisms. Replacement money cannot be treated separately from asset tracing, seizure, and international cooperation.

The practical implication is that financial enforcement should be planned throughout the life of a case. Authorities need information about assets before a final judgment so that, if a financial obligation is imposed, execution can proceed effectively. Waiting until after conviction to investigate the offender's financial position may substantially reduce the prospects of recovery.

Asset Management, Execution, and Return

Asset recovery does not end when property is seized or confiscated. A further stage concerns management, execution, and the conversion or return of the asset in accordance with law.

This stage is sometimes less visible than investigation or trial, but it directly affects the economic outcome of recovery (Wardani et al., 2025).

Different categories of property create different management problems. Cash may be relatively straightforward to preserve, but land and buildings involve title, registration, occupation, maintenance, and valuation issues. Vehicles and equipment may depreciate. Shares or businesses may fluctuate in value and may require active management. Other assets may involve storage costs or legal disputes. A system that secures property but allows its value to deteriorate may reduce the benefit ultimately obtained by the state.

The KPK data referenced in the source illustrates this challenge. In 2024, approximately 241 confiscated assets with an estimated value of around IDR 400 billion were reported as still unresolved, with land and buildings forming a large portion of the assets. This indicates that final recovery is not simply a matter of obtaining a confiscation order. Administrative, legal, and managerial processes must also function effectively.

Asset management should therefore be understood as part of enforcement rather than as a purely administrative afterthought. Decisions concerning preservation, valuation, maintenance, transfer, sale, use, or other lawful disposition affect the real value recovered. Transparency and accountability are especially important because the state is managing property that has passed through criminal proceedings and may be subject to competing claims or public scrutiny.

Cross-Border Recovery and International Cooperation

Cross-border asset recovery presents a distinct set of difficulties because legal authority is territorially limited. Indonesian investigators cannot directly seize a bank account, company interest, or real property located in another sovereign state. Assistance from foreign authorities is therefore required (Lehmann, 2017). Law No. 1 of 2006 on Mutual Legal Assistance in Criminal Matters provides a national framework for cooperation in criminal matters. Such cooperation may include assistance in locating assets, obtaining evidence, searching, freezing, seizing, or taking other measures against criminal proceeds, subject to the applicable legal requirements and the willingness of the requested state. UNCAC provides an additional international framework and encourages states parties to cooperate in asset identification, tracing, freezing, confiscation, and return (Savona & Anastasio, 2025).

The need for international cooperation arises directly from the methods used to conceal criminal proceeds. Assets may be placed abroad precisely because offenders expect differences in jurisdiction, banking secrecy rules, corporate structures, or procedural requirements to make recovery more difficult. Effective cross-border recovery therefore depends not only on domestic law but also on the ability of authorities to prepare legally sufficient requests, communicate with foreign counterparts, satisfy evidentiary requirements, and coordinate proceedings across different legal systems.

This area also demonstrates why asset recovery requires specialised institutional capacity. International requests can involve translation, identification of applicable treaties or reciprocity rules, differences in legal terminology, and complex

documentary requirements. Delays can be costly because assets may continue to move while requests are being processed. The more quickly relevant authorities can identify an international dimension and initiate cooperation, the greater the possibility of preserving the asset.

Main Constraints to Effective Asset Recovery

The legal framework provides multiple recovery mechanisms, but their effectiveness is affected by several recurring constraints (He & Faure, 2024). The first is concealment and transfer. Offenders may use third parties, multiple accounts, corporate vehicles, or asset conversion to distance themselves from criminal proceeds. This increases the evidentiary burden and requires more sophisticated financial investigation. The second constraint is proof. Recovery requires a legally sustainable connection between the asset and criminal conduct. Where transactions are complex or property is formally held by third parties, establishing this connection may be difficult. The requirement is nevertheless essential because recovery measures affect property rights.

The third constraint is institutional coordination. Asset recovery may involve investigators, prosecutors, courts, financial intelligence functions, land authorities, asset managers, and foreign counterparts. Fragmentation can create delays, duplication, or gaps in responsibility. The source document identifies inter-agency coordination as one of the areas requiring strengthening. This is consistent with the process-based nature of recovery: no single stage can succeed independently if information or authority is not transferred effectively between institutions.

The fourth constraint is asset management. Even after successful seizure or confiscation, assets may remain unresolved because of title problems, administrative barriers, valuation issues, or the practical difficulty of disposal. Poor management can erode value and reduce the fiscal benefit of recovery. The fifth constraint is the cross-border location of assets. International recovery is slower and more complex because it requires cooperation between sovereign states. Differences in legal systems and procedural standards may further complicate the process. Mutual legal assistance and UNCAC provide legal channels, but effective use of those channels depends on institutional expertise and timely coordination.

The sixth constraint is the need to protect legitimate rights. Third parties acting in good faith may have valid interests in property connected to a criminal case. Recovery policy must therefore distinguish between concealment arrangements and lawful ownership. Safeguards can make procedures more complex, but they are necessary to ensure that recovery remains consistent with due process and legal certainty.

These constraints point to several areas of institutional development. Financial investigation and asset tracing capacity should be strengthened so that asset questions are addressed from the earliest stage of a case. Coordination mechanisms should connect investigators, prosecutors, asset management units, financial authorities, land administration bodies, and other relevant institutions. Asset management procedures should preserve value and provide transparent accountability.

International cooperation should be supported by personnel with expertise in mutual legal assistance and transnational asset recovery. Finally, the legal framework should provide clear authority while maintaining safeguards for property rights and bona fide third parties.

Taken together, the findings show that the effectiveness of asset recovery depends less on any single legal instrument than on the integration of the entire recovery chain. Tracing without seizure allows assets to escape. Seizure without confiscation leaves ownership unresolved. Confiscation without execution produces limited financial benefit. Recovery without asset management may result in loss of value. Domestic action without international cooperation may fail where assets cross borders (Ahmad, 2025; Eicke et al., 2021). The central policy implication is therefore that asset recovery should be institutionalised as a coordinated process within criminal law enforcement rather than handled as a series of disconnected procedural events.

CONCLUSION

Asset recovery holds a strategic position in criminal law enforcement because it addresses an element that punishment alone cannot resolve: the economic benefit and financial consequences generated by crime. In corruption and other profit-driven offences that cause losses to the state, criminal accountability should therefore include both the imposition of sanctions on offenders and the recovery of assets or equivalent economic value. The Indonesian legal framework already recognises this orientation through confiscation, replacement-money orders, mutual legal assistance, and the broader obligations associated with UNCAC.

The analysis shows that asset recovery is best understood as an integrated process consisting of asset tracing and identification, seizure, confiscation, payment of replacement money where applicable, asset management, execution, return, and international cooperation. These mechanisms perform three interconnected functions. They are repressive because they remove property connected to crime; restorative because they seek to return value to the state or the legally entitled party; and preventive because they reduce the financial attractiveness of economically motivated offences.

However, the existence of legal mechanisms does not automatically ensure effective recovery. Asset concealment and transfer, complex financial transactions, evidentiary difficulties, third-party claims, fragmented coordination, unresolved asset management problems, and the location of property in foreign jurisdictions can all reduce the value ultimately recovered. The effectiveness of asset recovery therefore depends on early and continuous financial investigation, lawful and proportionate seizure, enforceable confiscation and replacement-money mechanisms, professional asset management, strong inter-agency coordination, and effective international cooperation.

For Indonesian criminal law policy, the principal implication is that asset recovery should not be treated as a secondary matter that follows conviction. It should be incorporated into enforcement strategy from the beginning of the case. At the same time, stronger recovery powers must remain consistent with legality, due process, evidentiary standards, and the protection of bona fide third parties. A recovery system that combines effectiveness with legal safeguards can strengthen the

capacity of criminal law not only to punish unlawful conduct but also to restore state financial interests and remove the economic incentives that sustain corruption and other profit-oriented crime.

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