



Fatf R.8 Criticism Of The Regulations On Civil Servants In Indonesia In Articles 2, 3, 4, and 16

(Presidential Regulation Number 18 of 2017)

Widiyarti

Prodi Ilmu Hukum, Fakultas Hukum, Ilmu Sosial dan Ilmu Politik, Universitas Terbuka

Email Korespondensi: widiyarti153@gmail.com

Article received: 12 April 2026, Review process: 12 Mei 2026

Article Accepted: 29 Mei 2026, Article published: 19 Juni 2026

ABSTRACT

This research is motivated by the disharmony between Presidential Regulation No. 18 of 2017 concerning Procedures for Receiving and Providing Donations by Community Organizations in the Prevention of Terrorist Financing Crimes and the international standard of Financial Action Task Force (FATF) Recommendation 8, revised in June 2016. This research aims to explain the contribution of community organizations in Presidential Regulation 18/2017 and review the criticisms of FATF Recommendation 8 after the revision. This research is a qualitative study with a library research design using a normative legal approach. The results show that Presidential Regulation 18/2017 regulates the obligation of donors with a threshold of IDR 5,000,000 and the requirement to collect nine personal data items, the obligation to forgive the recipient of the donation, the obligation to store data for a minimum of five years, and a monitoring mechanism by the Minister and the Financial Transaction Reports and Analysis Center (PPATK). FATF R.8's criticism of Presidential Regulation 18/2017 includes the application of a blanket approach without risk differentiation, which differs from the principles of a risk-based approach, requirements that extend beyond FATF provisions, the unclear parameter of "less capable countries," and the absence of a sectoral risk assessment mechanism. Articles that align with FATF R.8 are Article 2 paragraph (3) and Article 16, while articles that are inconsistent include Article 3 paragraph (2) letter a, Article 4 paragraphs (1) and (2), and Article 3 paragraph (2) letters b, c, and paragraph (3). Matters not included in Presidential Regulation 18/2017 include a sectoral risk assessment mechanism, provisions for NPO involvement in policy consultations, affirmation of respect for human rights, recognition of humanitarian emergencies, and recognition of NPO self-regulatory actions. This study concludes that revision of Presidential Regulation 18/2017 is necessary to align with FATF R.8 through the implementation of differentiated national risk assessments, increasing the recognition threshold, and establishing a mechanism for ongoing dialogue between the government and the NPO sector.

Keywords: FATF Recommendation 8, Humanitarian NPOs, Presidential Decree 18/2017, Terrorism Financing, Risk-Based Approach.

ABSTRAK

Penelitian ini dilatarbelakangi oleh disharmoni antara Peraturan Presiden Nomor 18 Tahun 2017 tentang Tata Cara Penerimaan dan Pemberian Sumbangan oleh Organisasi Kemasyarakatan dalam Pencegahan Tindak Pidana Pendanaan Terorisme dengan standar

internasional Financial Action Task Force (FATF) Recommendation 8 yang telah direvisi pada Juni 2016. Penelitian ini bertujuan untuk menjelaskan regulasi sumbangan organisasi kemasyarakatan dalam Perpres 18/2017 serta mengkaji kritik FATF Recommendation 8 pasca-revisi terhadap regulasi tersebut. Jenis penelitian ini adalah penelitian kualitatif dengan desain penelitian kepustakaan (library research) menggunakan pendekatan hukum normatif. Hasil penelitian menunjukkan bahwa Perpres 18/2017 mengatur kewajiban identifikasi pemberi sumbangan dengan ambang batas Rp5.000.000 dan persyaratan pengumpulan sembilan data personal, kewajiban identifikasi penerima sumbangan, kewajiban penyimpanan data minimal 5 tahun, serta mekanisme pengawasan oleh Menteri bersama PPATK. Kritik FATF R.8 terhadap Perpres 18/2017 mencakup penerapan pendekatan seragam (blanket approach) tanpa diferensiasi risiko yang bertentangan dengan prinsip risk-based approach, persyaratan identifikasi ekstensif yang melampaui ketentuan FATF, ketidakjelasan parameter "negara belum memadai", serta tidak adanya mekanisme penilaian risiko sektoral. Pasal yang sejalan dengan FATF R.8 adalah Pasal 2 ayat (3) dan Pasal 16, sedangkan pasal yang tidak sejalan meliputi Pasal 3 ayat (2) huruf a, Pasal 4 ayat (1) dan (2), serta Pasal 3 ayat (2) huruf b, c, dan ayat (3). Hal yang tidak tersedia dalam Perpres 18/2017 antara lain mekanisme penilaian risiko sektoral, ketentuan pelibatan NPO dalam konsultasi kebijakan, penegasan penghormatan hak asasi manusia, pengecualian situasi kemanusiaan darurat, serta pengakuan terhadap self-regulatory measures NPO. Penelitian ini menyimpulkan bahwa diperlukan revisi Perpres 18/2017 untuk menyelaraskan dengan FATF R.8 melalui penerapan national risk assessment terdiferensiasi, kenaikan ambang batas identifikasi, serta pembentukan mekanisme dialog berkelanjutan antara pemerintah dan sektor NPO.

Kata Kunci: FATF Recommendation 8, NPO Kemanusiaan, Perpres 18/2017, Pendanaan Terorisme, Risk-Based Approach.

INTRODUCTION

The crime of terrorism financing has become a global concern since the ratification of the International Convention for the Suppression of the Financing of Terrorism through UN General Assembly Resolution No. 54/109 of 1999 (Indonesia has ratified this convention through Law No. 6 of 2006). The author argues that this ratification is a fundamental step, but it is insufficient without being followed by the harmonization of technical regulations at the domestic level. The Financial Action Task Force (FATF), as an intergovernmental body that sets global standards for anti-money laundering (AML) and counter-terrorism financing (CFT), issued 40 Recommendations that serve as a reference for more than 200 jurisdictions worldwide (FATF, 2023a).

One of the most relevant recommendations for the civil society sector is Recommendation 8 (R.8), which regulates Non-Profit Organizations (NPOs). FATF R.8 calls for a focused, proportionate, and risk-based approach to supervision without impeding the legitimate activities of NPOs. The authors emphasize that this risk-based approach is at the heart of all post-2012 FATF standards, requiring countries to identify which NPO segments are particularly high-risk. A fundamental revision of R.8 at the Plenary Meeting in Busan, South Korea, in June

2016 explicitly removed the characterization of all NPOs as "particularly vulnerable," which has been shown to lead to overregulation (FATF, 2023a).

Indonesia issued Presidential Regulation No. 18 of 2017 concerning Procedures for Accepting and Providing Donations by Community Organizations in Preventing Criminal Acts of Terrorism Financing (Perpres 18/2017) on February 22, 2017, considering that community organizations (ormas) can be used as a means of financing terrorism. The author identifies a fundamental temporal gap between this Presidential Regulation (February 2017) and the revised FATF R.8 standard nine months earlier (June 2016). This Presidential Regulation still reflects the old approach that categorizes all community organizations as potentially risky, without accommodating the principle of a risk-based approach (PSHK, 2017)

The misuse of non-profit organizations for terrorism funding in Indonesia is increasingly worrying. The author notes several findings from the Financial Transaction Reports and Analysis Center (PPATK) (2023) and FATF report (2023b) that the trend of online crowdfunding for terrorist activities has increased significantly. The methods used include the creation of fictitious foundations, the use of personal accounts to collect humanitarian donations which are then diverted, and the use of social media to spread propaganda and solicit anonymous donations. The sectors most vulnerable to exploitation are humanitarian and religious organizations with extensive networks in conflict or disaster-prone areas. The author argues that this phenomenon demonstrates the urgency of oversight, but the oversight currently implemented through Presidential Regulation 18/2017 is repressive and does not differentiate between organizations based on risk levels.

Previous research has cast doubt on the effectiveness of a blanket approach to NPO regulation. (Huda et al., 2017) in their study of productive waqf in Indonesia found that the main obstacle to waqf management was not a lack of state oversight, but rather the weak professionalism of nazhir (managers) and minimal legal outreach. These findings indicate that a uniform bureaucratic approach ignores the root of the problem. (Muslim & Zulfa, 2025) in their analysis of charitable organization oversight policies in Indonesia concluded that Indonesia still faces significant challenges in beneficial ownership transparency, a lack of oversight of informal organizations, and a lack of education for the donor community about the risks of terrorism financing.

(Njoku, 2025) in his systematic literature review found that countries worldwide use five mechanisms to restrict CSOs through CFT regulations: strategic exclusion, legal ambiguity, co-option and control strategies, securitization of foreign aid, and delegitimization and criminalization of political advocacy. These findings strengthen the argument that disproportionate regulation can be a tool for governments to limit the freedom of movement of NPOs. (Makumbe, 2023) in his report for the West Africa Civil Society Institute criticized the FATF's infrequent criticism of excessive regulation and lack of respect for human rights, focusing solely on regulatory inadequacies. (Reimer, 2024) from RUSI documented the phenomenon of "Authoritarian Abuses" in 34 countries, where FATF standards were misused to pressure political opponents and journalists through strategic account freezes.

The authors identified several significant knowledge gaps. First, research on the implementation of Presidential Regulation 18/2017 is still limited to aspects of Indonesia's compliance with the FATF in general, without specifically analyzing the article-by-article disharmony between this Presidential Regulation and FATF R.8 after the 2016/2023 revision. Second, studies on the impact of Presidential Regulation 18/2017 on humanitarian NPOs are still very limited, especially those examining administrative burdens, banking access, and program effectiveness. Third, there has been no research that systematically identifies which articles are in line and which are not in line with FATF R.8, as well as important elements that are not available in Presidential Regulation 18/2017.

The author emphasizes that the novelty of this research lies in the article-by-article comparative analysis of Presidential Regulation 18/2017 with FATF R.8 (2015, 2016, and 2023 editions) to produce a detailed compliance map, as well as the identification of six (6) important elements not regulated in Presidential Regulation 18/2017 but mandated by FATF R.8. The significance of this research is both theoretical (development of security law and civil society organization law) and practical (concrete policy recommendations for the BNPT, PPATK, and the Ministry of Home Affairs). The author argues that this regulatory improvement is urgent because Indonesia, as a member of the FATF (since October 2023), is obliged to comply with international standards, and failure to comply with the risk-based approach principle could result in economic sanctions and a downgrade in the next mutual evaluation.

Based on this background, the main problem examined in this research is how is the compliance of Presidential Regulation Number 18 of 2017 with FATF Recommendation 8 after the 2016 and 2023 revisions? Specifically, this research will answer three questions: (1) what are the provisions in Presidential Regulation 18/2017 regarding the obligation to identify donors, recipients of donations, and their oversight mechanisms?; (2) what criticisms does FATF R.8 raise against the provisions in Presidential Regulation 18/2017?; (3) which articles are in line and which are not, and which are not available in the regulation? This research aims to identify the provisions of Presidential Regulation 18/2017, analyze the criticisms of FATF R.8, and identify articles that are in line, which are not in line, and which are lacking in norms.

METHODS

This research is a qualitative study using a library research design. This library research design was chosen because the primary object of study is normative legal documents and international standards that require in-depth interpretation. The research approach used is normative law (juridical normative), with two specific approaches: a statutory approach and a conceptual approach (Marzuki, 2017). The statutory approach is used to systematically examine the provisions of Presidential Regulation Number 18 of 2017 concerning Procedures for Receiving and Providing Donations by Community Organizations in Preventing Terrorist Financing Crimes. The conceptual approach is used to analyze the legal principles in FATF Recommendation 8, particularly the principles of a risk-based

approach, focused and proportionate measures, and non-interference with legitimate NPO activities. The combination of these two approaches allows for a comprehensive identification of normative disharmony between national regulations and international standards. The target population in this study was all legal documents and literature related to the oversight of non-profit organizations in preventing the financing of terrorism. The sample (or legal materials) was selected purposively with the following inclusion criteria: (1) primary legal documents governing the procedures for donations from non-profit organizations in Indonesia; (2) official FATF documents related to Recommendation 8; (3) secondary literature published in the last 10 years (2015-2025); and (4) publications from reputable institutions such as the Financial Transaction Reports and Analysis Center (PPATK), the Financial Transaction Reports and Analysis Center (PSHK), the Indonesian National Institute of Taxation (ICNL), and journals indexed by Google Scholar and Scopus. The estimated number of literature analyzed was 25-30 sources, consisting of laws and regulations, FATF documents, indexed national journals, and international research reports.

Data collection was conducted through library research (Zed, 2008). Data were collected by searching for laws and regulations through the Directorate General of Legislation (jdih.setneg.go.id), official FATF documents through the official FATF website (www.fatf-gafi.org), and journal articles and research reports through databases such as Google Scholar, and Scopus. Keywords used in the search included "FATF Recommendation 8", "Non-Profit Organization", "terrorist financing", "Presidential Regulation 18/2017", "community organizations", and "risk-based approach". The data analysis technique used was qualitative analysis using legal interpretation methods, particularly systematic and teleological interpretation. The analysis steps were as follows: First, identify the provisions of Presidential Regulation 18/2017 relevant to the obligation to identify donors and recipients, monitoring mechanisms, and sanctions. Second, identify the principles of FATF R.8 by reviewing the Interpretive Note and Best Practices Paper (2015, 2016, and 2023 editions). Third, compare Presidential Regulation 18/2017 and FATF R.8 to identify points of disharmony and alignment. Fourth, categorize articles that are consistent and inconsistent, and identify elements of FATF R.8 that are not included in Presidential Regulation 18/2017. Fifth, formulate recommendations for proportional and risk-based regulatory harmonization. Systematic interpretation is used to understand the relationship between the norms in Presidential Regulation 18/2017 and their relationship to the FATF R.8 standard, while teleological interpretation is used to understand the objectives of the post-revised FATF R.8, namely protecting NPOs from abuse while not hindering philanthropic activities. This series of methods is expected to ensure the objectivity and transparency of the analysis and allow for replication by other researchers.

RESULTS AND DISCUSSION

Regulation of Donations from Community Organizations in Indonesia in Presidential Regulation Number 18 of 2017

Presidential Regulation Number 18 of 2017 concerning Procedures for Receiving and Providing Donations by Community Organizations in Preventing Terrorist Financing Crimes (Perpres 18/2017) comprehensively regulates the procedures for receiving and providing donations by community organizations (ormas) in Indonesia. This regulation was issued in response to growing concerns that ormas could be misused as a means of financing terrorism.

Article 2 of Perpres 18/2017 (Republik Indonesia, 2017) defines the scope of ormas subject to these obligations. Paragraph (1) states that this Presidential Regulation applies to ormas that, under statutory regulations, may receive and/or provide donations abroad. Paragraph (2) states that this Presidential Regulation also applies to ormas whose financial resources are significantly or primarily derived from public donations, whether for operational purposes, cash flow, or the activities of the organization concerned. Paragraph (3) confirms that ormas referred to in paragraphs (1) and (2) include ormas that are incorporated or non-incorporated.

Article 3 of Presidential Regulation 18/2017 (Republik Indonesia, 2017) regulates the obligation to identify donors. Paragraph (1) requires organizations receiving donations to identify the donors. Paragraph (2) specifies three conditions under which identification must be carried out, namely:

- a. Letter a: donations of at least IDR 5,000,000.00 (five million rupiah) or an equivalent value;
- b. Letter b: donations originate from donors who are citizens of or domiciled in countries declared inadequate in implementing international conventions and standards in the field of preventing and eradicating money laundering and terrorism financing;
- c. Letter c: donations are intended to be given to recipients in countries declared inadequate as referred to in letter b.

Paragraph (3) of Article 3 states that information regarding countries declared inadequate as referred to in paragraphs (2) letters b and c shall be submitted by the Financial Transaction Reports and Analysis Center (PPATK) to the ministry responsible for government affairs in the domestic sector.

Article 4 of Presidential Decree 18/2017 (Republik Indonesia, 2017) regulates the identification procedures carried out through the collection of donor information. Paragraph (1) stipulates that for individuals, the information that must be collected includes 9 (nine) data, namely: full name, place and date of birth, personal identification number, residential address, occupation, nationality, gender, purpose of donation, and the form and value of the donation. Paragraph (2) stipulates that for corporations, the information that must be collected includes 8 (eight) data, namely: name of the corporation, composition of corporate management, identity of corporate management, NPWP or similar document for foreign corporations, corporate domicile address, corporate status, purpose of

donation, and form and value of donation. Paragraph (3) emphasizes that further provisions regarding the procedures for collecting donor information are regulated by Ministerial Regulation.

Article 6 of Presidential Regulation 18/2017 (Republik Indonesia, 2017) stipulates the obligation of mass organizations to refuse donations if the donor refuses to provide the information referred to in Article 4. Article 7 requires mass organizations that wish to provide donations to identify potential recipients. Article 8 regulates the identification of potential recipients of individual donations, including full name, place and date of birth, personal identification number, address, occupation, and citizenship. Article 9 regulates the identification of potential recipients of corporate donations, including the name of the corporation, board of directors, board identities, Taxpayer Identification Number (NPWP), address, and corporate status. Article 10 requires mass organizations to refuse donations if the potential recipient refuses to provide information or if their identity is listed as a suspected terrorist.

Article 11 of Presidential Regulation 18/2017 (Republik Indonesia, 2017) requires mass organizations to maintain records of the identity information of donors and recipients. Article 12 stipulates that the records of identity information referred to in Article 11 must be retained by mass organizations for at least 5 (five) years from the date the transaction is completed.

Article 16 of Presidential Decree 18/2017 (Republik Indonesia, 2017) regulates supervision by the Minister in collaboration with the Financial Transaction Reports and Analysis Center (PPATK). Article 17 of Presidential Decree 18/2017 (Republik Indonesia, 2017) states that, in the context of supervision, the Minister may request reports from mass organizations regarding the implementation of the receipt and distribution of donations. Article 18 (Republik Indonesia, 2017) states that, in the context of supervision, the Minister may request clarification or explanation from mass organizations regarding the reports submitted. Article 19 (Republik Indonesia, 2017) stipulates that mass organizations that do not comply with the provisions of this Presidential Decree will be subject to sanctions in accordance with the provisions of laws and regulations.

FATF R.8 Review of the Regulation on Donations to CSOs in Indonesia in Presidential Regulation Number 18 of 2017

a. Review of the Basic Principles of the Risk-Based Approach

Article 2 paragraphs (1) and (2) of Presidential Regulation 18/2017, which regulates the scope of CSOs subject to identification obligations, is inconsistent with FATF Recommendation 8, revised in 2016. FATF R.8 requires countries to apply a focused and proportionate risk-based approach only to non-profit organizations identified as being at risk of misuse of terrorist financing (FATF, 2023a). The Interpretive Note to R.8 explicitly states that measures that are disproportionate to the assessed risk and are excessively burdensome or restrictive are inconsistent with R.8 (FATF, 2023a). Presidential Regulation 18/2017 applies a blanket approach to all CSOs without differentiating based on actual risk levels. The considerations of this Presidential Regulation state that "mass organizations can be used as a means

to receive and provide donations related to criminal acts of terrorism financing" (Republik Indonesia, 2017) – a formulation that indicates the presumption that all mass organizations have the same potential risks (PSHK, 2017). This fundamentally contradicts the risk-based approach principle that is at the heart of the 2016 FATF R.8 revision.

b. Review of the Identification Threshold Provisions

Article 3 paragraph (2) letter a of Presidential Regulation 18/2017, which sets the identification threshold at IDR 5,000,000.00 (five million rupiah), is inconsistent with FATF Recommendation 8. The FATF explicitly states that NPOs are not reporting entities and should not be required to conduct customer due diligence (CDD) at the same level as financial institutions (FATF, 2023a). The FATF 2023 Best Practices Paper emphasizes that measures must be proportionate to the assessed risk and discourages the application of measures that are overly burdensome or restrictive for organizations operating in the nonprofit sector. The IDR 5,000,000 threshold is considered low and, combined with extensive identification requirements, creates a disproportionate administrative burden for small and medium-sized humanitarian NPOs (PSHK, 2017). The FATF asserts that "it is inconsistent with Recommendation 8 to implement any measures that are disproportionate to the assessed terrorist financing risk, and therefore unduly burdensome or restrictive" (FATF, 2023a).

c. Review of Personal Data Collection Requirements

Article 4, paragraph (1), which requires the collection of 9 pieces of personal data for individual donors, and Article 4, paragraph (2), which requires the collection of 8 pieces of data for corporate donors, are inconsistent with FATF Recommendation 8. These requirements go beyond what the FATF requires, considering that NPOs are not reporting entities and should not be required to conduct customer due diligence at the same level as financial institutions (FATF, 2023). These obligations are imperative, disregarding the context of the relationship between the CSO and the donor, and without distinguishing the level of risk of the CSO in question. The ICNL (2025) in its guidance emphasizes that countries should avoid a "one-size-fits-all" approach that unduly burdens NPOs.

d. Review of the "Inadequate Countries" Provision

Article 3 paragraph (2) letters b and c, as well as paragraph (3), which regulates mandatory identification of donations from or to "inadequate" countries, is inconsistent with FATF Recommendation 8. This Presidential Regulation does not further regulate the objective criteria for determining "inadequate" status, the mechanism for updating the list of countries, public access to the list, or the appeals mechanism for organizations that disagree with the determination of a country's status. The FATF recommends public transparency regarding the methodology chosen for conducting risk assessments (FATF, 2023a). This lack of clarity creates significant legal uncertainty for organizations receiving or providing cross-border donations (PSHK, 2017).

e.. Review of Articles Consistent with FATF R.8

Article 2 paragraph (3) of Presidential Regulation 18/2017, which states that mass organizations include both legal entities and non-legal entities, aligns with FATF Recommendation 8. This provision reflects a broad scope for various forms of community organizations, in line with the FATF's functional approach in defining NPOs based on function, not structure (FATF, 2023a). Article 16, concerning supervision by the Minister in collaboration with the Financial Transaction Reports and Analysis Center (PPATK), is generally in line with FATF R.8's requirement that the state must have a mechanism for supervising and monitoring at-risk NPOs, although the specific mechanism still needs to be adjusted to the principle of proportionality (FATF, 2023a).

f. Review of Issues Missing from Presidential Regulation 18/2017

There are several important elements mandated by FATF R.8 that are not regulated in Presidential Regulation 18/2017 (PSHK, 2017). First, Presidential Regulation 18/2017 does not regulate a sectoral risk assessment mechanism for non-governmental organizations (NPOs). FATF R.8 requires jurisdictions to assess the risk of terrorist financing misuse faced by NPOs based on the type, activities, and characteristics of the organization (FATF, 2023a). Second, Presidential Regulation 18/2017 does not regulate engagement and consultation with NPOs in policy development. FATF R.8 recommends ongoing dialogue between various stakeholders and NPOs, as well as the importance of involving NPO representatives in the risk assessment process (FATF, 2023a). Third, Presidential Regulation 18/2017 does not explicitly regulate the state's obligation to respect human rights in implementing CFT measures. The post-revised 2023 FATF R.8 emphasizes that measures must respect fundamental human rights, including freedom of association and freedom of expression (FATF, 2023a). Fourth, Presidential Regulation 18/2017 does not regulate exceptions for emergency humanitarian situations that require a rapid response without going through complicated identification procedures. International best practices demonstrate the need for flexibility in the implementation of CFT measures for disaster and conflict areas (Evans & Skoric, 2023). Fifth, Presidential Regulation 18/2017 does not regulate a mechanism for periodic reviews of the list of "inadequate" countries and the effectiveness of the measures implemented. The FATF recommends that risk assessments be reviewed periodically to adapt to evolving risks (FATF, 2023a). Sixth, Presidential Regulation 18/2017 does not regulate the establishment of self-regulatory measures by NPOs as an alternative to less stringent government oversight. The FATF recognizes that NPOs that already have adequate self-regulatory measures and internal controls may not require additional action from national authorities (FATF, 2023a).

Thus, overall, Presidential Regulation 18/2017 still contains a number of significant inconsistencies with the FATF Recommendation 8 standards after the 2016 and 2023 revisions, particularly in terms of the application of the risk-based approach, the proportionality of identification obligations, and the absence of several important mechanisms mandated by the FATF.

CONCLUSION

Based on the research and discussion of the regulations on donations by community organizations in Presidential Regulation No. 18 of 2017, as well as its review of FATF Recommendation 8 after the 2016 and 2023 revisions, two main conclusions can be drawn. First, Presidential Regulation No. 18 of 2017 comprehensively regulates the procedures for receiving and providing donations by community organizations, covering both incorporated and non-incorporated organizations. This regulation requires organizations to identify donors if the donation reaches a threshold of IDR 5,000,000, or originates from or is destined for a country deemed inadequate. This regulation requires the collection of nine pieces of personal data for individuals and eight pieces of data for corporations. This regulation also mandates the identification of potential donation recipients, data retention for a minimum of five years, and grants supervisory authority to the Minister, in collaboration with the Financial Transaction Reports and Analysis Center (PPATK), with sanctions for organizations that fail to comply. In general, Presidential Regulation 18/2017 reflects a blanket approach to oversight for all community organizations, regardless of their risk profile. The second conclusion, based on a review of FATF Recommendation 8 after the 2016 and 2023 revisions, found that Presidential Regulation 18/2017 contains a number of significant inconsistencies. The basic principle of Presidential Regulation 18/2017, which applies a uniform approach, contradicts the risk-based approach that is at the heart of the revised FATF R.8. The IDR 5,000,000 threshold and the requirement to collect nine pieces of personal data are deemed disproportionate because NPOs are not reporting entities and should not be required to conduct customer due diligence at the same level as financial institutions. The provision regarding "inadequate" countries is also considered to create legal uncertainty because it does not regulate objective criteria, renewal mechanisms, public access, and appeal mechanisms. In addition, there are six important elements mandated by FATF R.8 that are not available in Presidential Regulation 18/2017: sectoral risk assessment mechanisms, NPO involvement in policy consultations, affirmation of respect for human rights, exceptions for emergency humanitarian situations, periodic review mechanisms, and recognition of NPO self-regulatory measures. Thus, Presidential Regulation 18/2017 still requires significant adjustments to fully align with FATF Recommendation 8 standards, which require a focused, proportional, and risk-based approach.

Based on these conclusions, the researcher urges that the government, particularly the National Counterterrorism Agency (BNPT), the Financial Transaction Reports and Analysis Center (PPATK), and the Ministry of Home Affairs, immediately revise Presidential Regulation 18/2017. The revision should include explicit recognition of the principle of a risk-based approach by conducting a differentiated and published national risk assessment and involving NPO representatives in the process. The government should also raise the identification threshold to a more realistic and proportionate value, simplify data requirements for individual donors, and add exceptions to identification procedures for emergency humanitarian situations. Furthermore, it is necessary to emphasize that

NPOs are not reporting entities and that respect for human rights, as well as legal certainty regarding the mechanism for establishing and updating the country list, are "inadequate." Before the revision, the government is advised to issue proportionate technical guidelines and establish an ongoing dialogue forum with representatives of humanitarian NPOs. For further research, it is recommended to conduct an empirical study on the concrete impact of the implementation of Presidential Regulation 18/2017 on the operations of humanitarian NPOs in Indonesia, as well as a comparative study with other ASEAN countries in implementing FATF Recommendation 8.

LIST OF REFERENCES

- Evans, B., & Skoric, V. (2023). *Positive Practices in Implementation of FATF Recommendation 8 Guide for State Actors and Civil Society*. ICNL. <https://www.icnl.org/wp-content/uploads/FATF-Dual-Guide-Part-1.pdf#4#2>
- Evans, B., & Skoric, V. (2025). *Positive Practices in Implementation of FATF Recommendation 8 A Guide for State Actors and Civil Society*. ICNL. <https://www.icnl.org/wp-content/uploads/FATF-Positive-Practices-Rec-8-Guide-EN-1.pdf#3#2>
- Marzuki, P. M. (2017). *Penelitian Hukum (Revisi)*. Kencana. <https://play.google.com/books/reader?id=CKZADwAAQBAJ&pg=GBS.P1&hl=id>
- Zed, M. (2008). *Metode Penelitian Kepustakaan*. Yayasan Obor Indonesia. https://www.scribd.com/document/526191239/METODE-PENELITIAN-KEPUSTAKAAN#google_vignette
- Huda, N., Rini, N., Mardoni, Y., Hudori, K., & Anggraini, D. (2017). Problems, Solutions and Strategies Priority for Waqf in Indonesia. In *Journal of Economic Cooperation and Development* (Vol. 38).
- Muslim, F., & Zulfa, E. A. (2025). FATF Recommendation and Charitable Organizations Supervision Policy in Indonesia: A Study on the Prevention of Terrorism Financing. *Indonesian Journal of International Law*, 22(4), 813–850. <https://doi.org/10.17304/ijil.vol22.4.1934>
- Njoku, E. T. (2025). Counter-terrorism measures and civil society organisations: A review of literature and agenda for future research. *Journal of Civil Society*, 21(2), 205–235. <https://doi.org/10.1080/17448689.2025.2451928>
- Reimer, S. (2024). *Weaponisation of FATF Standards: A Guide for Global Civil Society*. The Royal United Services Institute.
- Peraturan Presiden Republik Indonesia Nomor 18 Tahun 2017 tentang Tata Cara Penerimaan dan Pemberian Sumbangan oleh Organisasi Kemasyarakatan dalam Pencegahan Tindak Pidana Pendanaan Terorisme, Pub. L. 18 (2017). <https://peraturan.bpk.go.id/Details/62173/perpres-no-18-tahun-2017>
- FATF. (2023a). *Best Practices Combating the Terrorist Financing Abuse of Non-Profit Organizations*. <https://www.fatf-gafi.org/en/publications/Financialinclusionandnpoissues/Bpp-combating-abuse-npo.html>

- FATF. (2023b). *Crowdfunding for Terrorism Financing October 2023*. <https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Crowdfunding-Terrorism-Financing.pdf.coredownload.inline.pdf>
- Makumbe, R. P. (2023). *Research Report: Regulation and Repression of Civil Society through the Financial Action Task Force (FATF) Recommendation 8*.
- PPATK. (2023). *Laporan Konsolidasi: Penilaian Risiko Sektoral Tindak Pidana Pendanaan Terorisme Pada Sektor Industri Berisiko Tinggi*. <http://www.ppatk.go.id>
- PSHK. (2017, December 17). *Seri #2 Seminar FKP*. [pshk.or.id](http://www.pshk.or.id). <https://www.pshk.or.id/aktivitas/seri-2-seminar-fkp-2/>