



Abuse of Authority in the Banking Sector as a Form of Corporate Crime

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Abstract: Abuse of authority in the banking sector constitutes one form of economic crime that has significant implications for customer protection, the stability of the financial system, and the level of public trust in the banking industry. The practice of abuse of authority by internal banking organs, including directors, commissioners, officers, and employees, is often manifested in the form of fictitious credit disbursement, manipulation of financial data, misuse of customer funds, and violations of the prudential banking principle. The central issue lies in the fact that law enforcement against banking crimes in Indonesia still tends to focus on individual liability, while the involvement of corporations as legal entities has not been optimally enforced. This study aims to analyze the forms and characteristics of abuse of authority in the banking sector that may be qualified as corporate crimes, to examine the legal regulation of corporate criminal liability for abuse of authority in the banking sector in Indonesia, and to formulate a model of corporate criminal liability capable of realizing legal certainty, justice, and utility. This research employs a normative legal research method using the statute approach, conceptual approach, and case approach. The legal materials consist of primary, secondary, and tertiary legal sources, which are analyzed qualitatively using a juridical-prescriptive method. The findings reveal that abuse of authority in the banking sector is not always an individual act but may be qualified as a corporate crime when there is a connection between individual actions and organizational structure, business interests, corporate benefit, institutional omission, or failure of the bank's internal supervisory system. The legal framework governing corporate criminal liability has essentially been established through banking regulations, criminal law, and procedural mechanisms for handling corporate crimes. However, its implementation still faces normative and practical obstacles. Therefore, a corporate criminal liability model based on the integration of individual and corporate liability, the strengthening of good corporate governance, compliance systems, and a corporate negligence approach is necessary to improve the effectiveness of combating abuse of authority in the banking sector.

Keywords: Abuse of Authority; Banking; Corporate Crime; Criminal Liability; Good Corporate Governance.

I. Introduction

The banking sector holds a strategic position within the national economic system because it functions as an intermediary institution that collects and distributes public funds to support economic development. Banking institutions not only function as fund-collecting entities but also serve as vital instruments in maintaining the stability of the national financial system. Therefore, the existence of banking institutions heavily depends on the level of public trust, since without public confidence; the banking intermediation function cannot operate optimally. In this context, the integrity of banking governance becomes a fundamental requirement for the establishment of a healthy, transparent, and accountable banking system.

The development of the banking industry in Indonesia demonstrates that this sector is not immune from various forms of legal deviations, particularly abuse of authority committed by internal banking parties, whether directors, commissioners, bank officials, or employees in carrying out their functions and powers. Abuse of authority in the banking sector is frequently manifested in the form of fictitious loans, financial data manipulation, violations of the prudential banking principle, misuse of customer funds, and collusive practices that result in losses to customers, shareholders, and the stability of the financial system.

This phenomenon indicates that crimes in the banking sector are no longer committed solely on an individual basis but often involve institutional corporate systems that enable crimes to occur in a structured manner.

The Banking Law has regulated the obligation of banks to implement prudential principles, good corporate governance, and compliance with financial supervisory regulations. However, in practice, various banking crime cases demonstrate that abuse of authority often does not merely constitute an individual act but occurs due to weak internal control systems, failure of risk management, or even structural negligence by banking corporations. This raises a juridical issue regarding the extent to which corporations can be held criminally liable for the actions of their officers or employees who abuse their authority in carrying out banking activities.

The issue of corporate criminal liability in banking crimes has become increasingly relevant alongside the development of the doctrine of corporate criminal liability, which recognizes corporations as subjects of criminal law. Modern criminal law no longer views economic crime solely as individual criminal liability but acknowledges that corporations can be perpetrators of criminal offenses when there is a connection between individual actions and corporate policies, organizational culture, or benefits obtained by the corporation. In this context, abuse of authority in the banking sector may potentially be qualified as a corporate crime when there are elements of institutional policy, supervisory negligence, or corporate benefit derived from such acts.

Law enforcement against banking crimes still faces various challenges. Current law enforcement practices tend to focus on prosecuting individual offenders, while corporate liability as a legal entity has not been optimally applied. As a result, banking corporations in several cases are merely positioned as institutions affected by the actions of rogue employees, even though in certain circumstances there are indications that weak internal control systems and organizational culture have contributed to the occurrence of such crimes.

This condition reflects a gap between the development of corporate criminal liability doctrine and its implementation within Indonesia's banking sector.

The dynamics of digital technological development in banking services have also expanded the opportunities for abuse of authority, whether through system manipulation, misuse of customer data access, or technology-based fraudulent practices.

Accordingly, a legal approach that merely emphasizes individual perpetrators is no longer sufficient to address the complexity of modern banking crimes. A legal construction is needed that places corporations as subjects possessing proportional criminal liability for systemic failures or abuse of authority occurring within banking institutions.

Based on these issues, this research becomes important to comprehensively examine how abuse of authority in the banking sector can be qualified as a form of corporate crime, as well as what model of corporate criminal liability should be applied within the Indonesian legal system. This study is expected to contribute theoretically to the development of economic criminal law, particularly regarding the doctrine of corporate criminal liability, while also contributing practically to the formulation of more effective legal policies in preventing and combating banking crimes in Indonesia.

Based on the background elaborated above, the research problems in this study are formulated as follows:

1. What are the forms and characteristics of abuse of authority in the banking sector that may be qualified as corporate crimes?
2. How is the legal regulation of corporate criminal liability for abuse of authority in the banking sector in Indonesia?
3. What model of corporate criminal liability should be applied in addressing abuse of authority in the banking sector in order to realize legal certainty, justice, and utility?

II. Research Methods

This research uses a normative legal research method, which aims to analyze legal norms, legal principles, doctrines, and legal concepts related to abuse of authority in the banking sector as a form of corporate crime. This normative legal research was chosen because the focus of this research lies in examining legal regulations, principles of corporate criminal liability, and the legal construction of abuse of authority in banking activities in Indonesia.

The type of research used is normative legal research with a descriptive-analytical nature. Descriptive because this research aims to systematically describe the forms of abuse of authority in the banking sector and their regulations under Indonesian positive law. The analytical nature is intended to analyze in depth the construction of corporate criminal liability for acts of abuse of authority committed by organs or officials within banking institutions.

This research uses several approaches, namely: the Statute Approach. This approach is carried out by examining all laws and regulations related to banking crimes and corporate criminal liability. Next, the Conceptual Approach. The conceptual approach is used to examine various legal doctrines, theories, and concepts regarding abuse of authority, corporate crime, corporate criminal liability, vicarious liability, identification theory, and the concept of strict liability in corporate criminal liability. Case Approach. The case approach is carried out through analysis of court decisions and various relevant banking crime cases, especially cases that indicate abuse of authority by internal bank parties and the involvement or responsibility of banking corporate institutions. Peter Mahmud

This research utilizes three types of legal materials: Primary Legal Materials, consisting of laws and regulations, court decisions, and regulations related to the banking sector, including: Law Number 10 of 1998 concerning Banking; the Criminal Code; Law Number 1 of 2023 concerning the Criminal Code; Supreme Court Regulation Number 13 of 2016 concerning Procedures for Handling Criminal Cases by Corporations;

Secondary Legal Materials, consisting of legal literature, scientific journals, research findings, academic articles, and expert opinions related to banking law, economic crimes, and

corporate criminal liability. Tertiary Legal Materials, consisting of legal dictionaries, legal encyclopedias, and other relevant supporting materials, provide a conceptual understanding of the legal terms used in this research.

The legal material collection technique was conducted through library research, which involved inventorying, identifying, and reviewing primary, secondary, and tertiary legal materials relevant to the research object. All legal materials were then classified based on discussion themes to facilitate the legal analysis process.

The analysis of the legal materials was conducted qualitatively, using a juridical-prescriptive analysis method. This involved examining applicable legal norms, linking them to law enforcement theory and practice, and formulating legal arguments related to the corporate criminal liability model for abuse of authority in the banking sector. The results of the analysis were then systematically compiled to produce a legal structure that can provide legal certainty, justice, and benefit in addressing banking crime in Indonesia.

III. Result and Discussion

3.1 Forms and Characteristics of Abuse of Authority in the Banking Sector that May Be Qualified as Corporate Crime

Abuse of authority, in principle, refers to the use of power that deviates from the intended purpose for which such authority was granted, whether to obtain personal, group, or corporate benefits, resulting in losses to other parties or public interests. In the context of the banking sector, abuse of authority occurs when bank officials, directors, commissioners, or employees exercise their positions and authority unlawfully or contrary to the prudential banking principle in conducting banking business activities.

The banking sector is highly vulnerable to abuse of authority due to its characteristics as a fiduciary institution, which is fundamentally based on the management of public funds. The legal relationship between banks and customers is built upon fiduciary principles, meaning that any deviation committed by bank organs has the potential to cause substantial economic losses, not only to customers but also to the stability of the national financial system. Therefore, prudential principles, transparency, good corporate governance, and internal control systems serve as the primary instruments in preventing abuse of authority in the banking sector.

The obligation to implement prudential principles has been explicitly regulated under Indonesian banking law, requiring banks to conduct their business based on prudential principles to maintain bank soundness and protect customers' interests. Nevertheless, practice demonstrates that abuse of authority remains one of the dominant factors contributing to banking crimes in Indonesia. This condition reflects a gap between legal norms and their implementation in banking operational practices.

Abuse of authority may occur in various forms and levels of complexity. Generally, such acts involve the unlawful use of positions or institutional access to gain certain benefits.

One of the most dominant forms of abuse of authority in the banking sector is unlawful lending practices, such as fictitious loans, unsecured credit facilities without adequate collateral, manipulation of credit feasibility analyses, or the granting of credit facilities to affiliated parties (connected lending) without adhering to prudential principles.

Bank directors or officials often abuse their authority by approving loans for certain debtors through document manipulation, falsification of collateral, or fabrication of debtor financial reports. Such acts not only cause financial losses to the bank but may also disrupt the bank's soundness and threaten the stability of the financial system. From the criminal law perspective, such conduct may fulfill the elements of abuse of office and banking crimes if committed intentionally and in violation of applicable regulations.

The misappropriation of customer funds constitutes a form of banking crime in which bank employees or officials use access to customer accounts for personal or third-party interests without the account holder's consent. This practice may be carried out through illegal fund transfers, balance manipulation, fictitious account creation, or unauthorized transactions.

This phenomenon shows that banking crimes do not always occur due to weaknesses in technological systems, but often arise from internal abuse of access (insider crime). In many cases, such actions continue for extended periods because of weak internal supervision, ineffective compliance audits, or systemic negligence within banking corporations.

Abuse of authority may also be manifested in the manipulation of financial data, transaction reports, or administrative documents in order to conceal the actual financial condition of a bank or facilitate the execution of illegal transactions. Such practices are often conducted to achieve certain business targets, cover non-performing loans, or obtain corporate benefits.

Manipulation of banking documents constitutes a serious deviation because it not only violates criminal law but also contradicts the principles of corporate transparency and accountability. In certain contexts, such actions may become instruments for money laundering and other financial crimes.

The digital transformation in the banking sector has expanded the forms of abuse of authority through access to information technology systems. Bank employees or parties with certain authority may misuse access rights to customer data, transaction systems, or digital security devices to manipulate transactions, steal data, or unlawfully transfer funds.

This condition demonstrates that banking digitalization, while improving efficiency, also creates new forms of crime (new banking crimes) that require a more adaptive legal approach. In such situations, liability cannot be imposed solely upon the individual offender but must also consider failures in the corporate supervisory system that enabled the offense to occur. Abuse of authority in the banking sector possesses specific characteristics that distinguish it from conventional crimes.

Such crimes are generally committed by individuals who hold positions, access, or specific authority within the organizational structure of the bank.

Such acts are carried out through administrative and institutional mechanisms that outwardly appear lawful (organizational crime), making them difficult to detect at an early stage.

Such crimes are often committed collectively or with institutional tolerance, making corporate involvement relevant for legal analysis.

An abuse of authority may be qualified as a corporate crime when it fulfills several indicators, namely:

1. It is committed by corporate organs within the scope of their duties;
2. It provides benefits or advantages to the corporation;
3. It occurs due to failure of supervision or internal policies; and/or
4. There is institutional tolerance or omission toward such conduct.

Thus, corporate fault does not always have to be proven through the direct involvement of directors but may also be based on failures in internal control systems that enable the commission of crimes.

Table : Forms and Characteristics of Abuse of Authority in the Banking Sector as Corporate Crime

No.	Forms of Abuse of Authority	Legal Characteristics	Corporate Crime Indicators	Legal Implications
1	Fraudulent Lending Practices <i>(Fictitious Loans / Unlawful Credit Approval)</i>	Abuse of authority occurs when bank officials approve loans without proper feasibility analysis, manipulate collateral, or issue fictitious credit facilities contrary to prudential principles.	Conduct committed within official authority; generates direct or indirect financial benefit for the bank; facilitated by weak internal supervision.	May result in criminal liability for fraud, corruption, banking crimes, and corporate liability if institutional negligence is proven.
2	Misappropriation of Customer Funds	Bank officials unlawfully use customer funds through unauthorized transfers, account manipulation, or misuse of	Utilization of institutional access and banking authority; often occurs repeatedly due to inadequate internal	Creates civil, administrative, and criminal liability; may trigger corporate liability where compliance systems fail.

		account access.	controls.	
3	Manipulation of Banking Data and Documents	Deliberate falsification or alteration of transaction records, financial reports, customer data, or administrative documents to conceal unlawful activities.	Institutional concealment of actual financial conditions; may support broader corporate interests.	May constitute fraud, document forgery, financial crimes, and money laundering offenses.
4	Abuse of Information Technology Systems	Misuse of digital banking systems, customer databases, internal access rights, or cybersecurity controls to manipulate transactions or steal assets.	Exploitation of corporate digital infrastructure; enabled by inadequate IT governance and security protocols.	May result in cybercrime liability, banking crimes, and corporate negligence-based liability.
5	Connected Lending / Conflict of Interest Transactions	Credit facilities granted to affiliated parties without independent analysis or proper disclosure, violating arm's-length principles.	Reflects institutional policy favoritism; often benefits controlling shareholders or insiders.	Violates prudential banking law and may indicate corporate governance failure.
6	Internal Collusion Between Bank Officers	Coordinated abuse of authority among directors, managers, or	Demonstrates collective institutional participation; difficult to	Strong basis for corporate criminal liability under collective fault doctrine.

		employees to commit unlawful acts systematically.	classify as isolated personal misconduct.	
7	Failure to Implement Compliance Systems	Corporate omission in establishing effective compliance, anti-fraud mechanisms, and internal audit systems.	Corporate fault based on omission (<i>omission liability</i>); crime occurs because preventive obligations were neglected.	May establish liability under corporate negligence doctrine.
8	Tolerance Toward Illegal Practices	Management knowingly ignores repeated irregularities or fails to act against suspicious internal conduct.	Institutional tolerance reflects implicit approval or acceptance of unlawful practices.	Creates liability under the doctrine of corporate acquiescence and supervisory negligence.

The doctrine of corporate criminal liability positions corporations as subjects of criminal law that may be held accountable when individual actions have a close connection with organizational structures and corporate interests. In the banking sector, abuse of authority committed by bank officials cannot always be viewed as merely personal wrongdoing but must be examined to determine whether there was corporate benefit, supervisory negligence, or an organizational culture that enabled such conduct.

Abuse of authority in the banking sector has a more complex dimension than ordinary crimes because it involves the relationship between individual offenders, organizational systems, and corporate interests. Therefore, modern criminal liability approaches must place banking corporations as legal subjects capable of being held liable when such crimes are the consequence of failures in corporate governance, weak internal supervision, or an organizational culture permissive toward legal violations.

Table 2 : Analytical Classification of Characteristics

Aspect	Characteristics	Corporate Crime Relevance
Authority-Based Nature	Offenses are committed by persons holding official authority within banking institutions.	Shows that the crime is structurally linked to corporate power.
Institutional	Crimes utilize access to	Indicates the offense is

Access	banking systems, customer data, or internal documents.	facilitated by corporate infrastructure.
Economic Benefit Orientation	Acts often aim to obtain profit, protect business interests, or conceal losses.	Establishes the “benefit to corporation” element.
Systemic Weakness	Crimes occur due to weak supervision, poor governance, or compliance failures.	Supports corporate negligence and omission liability.
Collective Participation	Multiple actors may be involved across different levels of management.	Strengthens the doctrine of collective corporate fault.
Difficulty of Detection	Conduct often appears administratively legitimate at first glance.	Typical characteristic of organizational crime.
Impact Scope	Causes harm not only to customers but also to shareholders and financial stability.	Justifies broader institutional criminal accountability.

Based on the table above, abuse of authority in the banking sector may be qualified as corporate crime when the unlawful conduct is not merely personal in nature but is connected to the organizational structure, institutional benefit, corporate omission, supervisory failure, or a permissive corporate culture. This qualification is important because modern banking crimes increasingly demonstrate systemic and institutional dimensions, requiring the application of corporate criminal liability to ensure legal certainty, justice, and effective deterrence

3.2 Legal Regulation of Corporate Criminal Liability for Abuse of Authority in the Banking Sector in Indonesia

The development of criminal law in Indonesia has increasingly recognized corporations as legal subjects capable of bearing criminal liability. This development reflects the evolution of modern criminal law, which no longer limits criminal liability solely to natural persons but also extends it to legal entities whose activities may produce widespread social and economic impacts.

In conventional criminal law doctrine, criminal liability was originally based on the principle *societas delinquere non potest*, which means that a corporation could not commit a crime. However, the increasing complexity of economic activities, including banking operations, has shifted this paradigm. Modern criminal law now recognizes that corporations may commit criminal offenses through their organs, agents, or employees acting within the scope of their authority.

The enactment of Law Number 1 of 2023 concerning the Criminal Code marks an important development in Indonesian criminal law because it expressly recognizes corporations as criminal law subjects. This recognition provides a stronger normative foundation for imposing criminal liability upon corporations, including in cases of abuse of authority in the banking sector.

Under this framework, corporate liability may arise where:

1. The criminal act is committed for or on behalf of the corporation;
2. The act falls within the scope of corporate business activities;
3. The corporation derives benefits from the criminal act; or
4. The corporation fails to prevent the occurrence of the offense.

This construction broadens the scope of criminal accountability and allows law enforcement to address not only individual perpetrators but also institutional failures.

Law Number 10 of 1998 concerning Banking serves as the principal legal basis governing banking activities in Indonesia. The law imposes obligations upon banks to conduct their business according to prudential principles (*prudential banking principle*), sound risk management, and good corporate governance.

Article 29 of the Banking Law obliges banks to maintain soundness through adequate capital, asset quality, management quality, liquidity, profitability, solvency, and other aspects related to banking operations. Failure to comply with these obligations may create conditions that facilitate abuse of authority and financial crimes.

Although the Banking Law primarily emphasizes administrative and supervisory obligations, certain violations may also form the basis for criminal liability when they involve intentional misconduct, negligence, or institutional omission resulting in unlawful acts.

For example, if fictitious lending occurs systematically because internal audit mechanisms fail, risk management is ignored, or compliance units deliberately tolerate irregularities, then the issue extends beyond individual misconduct and may reflect corporate institutional fault.

Thus, banking law and criminal law must be interpreted systematically in determining corporate criminal liability.

A major advancement in Indonesian law is Supreme Court Regulation Number 13 of 2016 concerning Procedures for Handling Criminal Cases by Corporations.

This regulation provides practical guidelines for judges, prosecutors, and investigators in processing corporate criminal cases. It also establishes legal parameters for identifying corporate fault.

According to the regulation, corporate fault may be established where:

1. The corporation gains benefit from the crime;
2. The corporation permits the crime to occur; or
3. The corporation fails to take necessary preventive measures.

This framework is highly relevant to banking crimes because abuse of authority often arises not solely from individual intention but also from systemic failures in corporate governance.

The regulation strengthens the possibility of imposing sanctions directly upon banking corporations, including fines, restitution, compensation, corrective measures, and business restrictions.

This reflects the shift of criminal law toward a more institutional and preventive orientation.

Despite having an adequate normative framework, the implementation of corporate criminal liability in banking crimes remains problematic.

First, law enforcement institutions still tend to focus on individual offenders rather than corporate entities.

Second, proving corporate fault remains difficult because prosecutors often face challenges in demonstrating the relationship between individual conduct and corporate policy or institutional negligence.

Third, many banking crimes are concealed under formal administrative processes, making it difficult to identify criminal elements at an early stage.

These practical obstacles result in the persistence of legal inequality, where lower-level employees may become scapegoats while structural failures within banking institutions remain legally untouched.

This condition undermines the principles of justice and legal certainty. Given the complexity of banking crimes, there is a need to reconstruct legal policy (*ius constituendum*) regarding corporate criminal liability in the banking sector. Such reconstruction should include:

1. More specific indicators of corporate fault in banking regulations;
2. Stronger harmonization between banking supervision law and criminal law;
3. Greater authority for financial regulators to detect institutional negligence;
4. Stronger evidentiary mechanisms for proving corporate fault; and
5. More effective sanctions focused on corporate governance reform.

Through such reconstruction, the legal system may more effectively address abuse of authority in banking institutions and ensure balance between financial stability, customer protection, and criminal justice.

3.3 Model of Corporate Criminal Liability for Abuse of Authority in the Banking Sector

The model of corporate criminal liability for abuse of authority in the banking sector must be constructed through an integrative approach that does not merely impose liability upon the individual perpetrator, but also upon the corporation whenever there is a connection between the perpetrator's conduct and the organizational structure, business interests, or failure of internal supervision.

Under this model, bank officials or employees who commit abuse of authority remain individually criminally liable. However, the corporation may also be held liable where:

1. The act is committed within the scope of official duties;
2. The corporation obtains direct or indirect benefits;
3. There is institutional tolerance or omission; and

4. The internal supervisory system is not effectively implemented.

This approach is essential to prevent the practice of shifting liability solely to subordinate employees (*scapegoating*), while weaknesses in corporate governance remain untouched by criminal law mechanisms.

The integrative model reflects the principle that corporate crime in the banking sector often arises through the interaction between personal misconduct and institutional systems. Therefore, law enforcement must not isolate individual actions from the broader organizational context.

The model must also adopt the corporate negligence approach, which places corporate failure in fulfilling supervisory obligations as a form of criminal fault.

In the banking context, banks have legal obligations to implement prudential principles, risk management, internal supervision systems, compliance audits, and information technology controls. Failure to properly implement these obligations may create opportunities for abuse of authority.

Where a corporation fails to fulfill these obligations and such failure facilitates criminal conduct, such failure should be regarded as institutional negligence that may serve as the basis for corporate criminal liability.

Thus, corporate liability is not determined solely by the active involvement of directors or senior management but may also arise from organizational failures in preventing criminal acts.

This approach is in line with modern criminal law developments, which recognize that corporate crime often originates not only from intentional misconduct (*intentional wrongdoing*), but also from weak governance and inadequate control systems.

The implementation of *Good Corporate Governance (GCG)* principles must become a central element in the corporate criminal liability model for the banking sector.

The principles of transparency, accountability, responsibility, independence, and fairness should serve as legal indicators in assessing whether corporate fault exists.

A corporation proven to have neglected GCG implementation—for example, by failing to conduct internal audits, ignoring compliance reports, or allowing conflicts of interest in credit disbursement should be deemed to have contributed to the occurrence of criminal acts.

Therefore, failures in governance should no longer be viewed merely as administrative violations but may also constitute grounds for criminal liability.

This model positions governance quality as an important parameter in evaluating whether a banking corporation bears criminal responsibility.

Corporate criminal liability in the banking sector must also integrate a compliance system and risk management approach.

Banking corporations should be required to establish effective compliance systems through:

1. Strengthening compliance units;
2. Early fraud detection systems;
3. Monitoring suspicious transactions;
4. Regular information technology audits; and
5. Whistleblower protection mechanisms.

Within this model, the effectiveness of the compliance system may function as a legal benchmark in determining corporate fault. A corporation lacking an adequate prevention system should be considered as having failed to fulfill its legal obligations.

This model emphasizes that criminal prevention is an integral part of corporate responsibility.

In modern banking systems, compliance mechanisms are no longer merely internal administrative requirements but constitute part of the legal standards used to assess institutional fault.

Corporate criminal liability in the banking sector must be based on the principle of balancing interests, namely the balance between corporate interests, customer protection, and the stability of the national financial system.

An overly repressive approach toward corporations may disrupt banking industry stability, while an overly permissive approach may weaken legal protection for customers as users of banking services. Therefore, corporate criminal liability must be constructed proportionally, positioning criminal sanctions as corrective instruments against governance failures and systemic abuse of authority.

Model of Liability	Conceptual Basis	Application in Banking Sector	Legal Objective
Integrative Model of Individual and Corporate Liability	Combines personal criminal liability with institutional liability where there is a connection between the offender's conduct and corporate structure.	Applied when bank officials commit abuse of authority within the scope of their duties and the corporation benefits directly or indirectly.	To prevent scapegoating of individual employees and ensure institutional accountability.
Corporate Negligence Model	Liability is based on the corporation's failure to fulfill legal duties of supervision, compliance, and prevention.	Relevant when banks fail to implement internal control systems, risk management, or fraud	To establish liability based on omission and supervisory failure.

		prevention mechanisms.	
Good Corporate Governance (GCG)-Based Model	Uses governance principles (transparency, accountability, responsibility, independence, fairness) as indicators of corporate fault.	Applied where abuse of authority occurs due to weak internal audit systems, ignored compliance reports, or conflicts of interest.	To strengthen governance standards as criminal accountability benchmarks.
Compliance System-Based Model	Corporate liability is linked to the effectiveness of internal compliance systems and anti-fraud mechanisms.	Banks must establish compliance units, whistleblowing systems, and suspicious transaction monitoring.	To emphasize prevention as part of criminal responsibility.
Risk Management-Based Model	Focuses on the bank's obligation to manage operational, legal, and reputational risks.	Failure to detect or mitigate risks enabling abuse of authority may form the basis of liability.	To strengthen institutional resilience against financial crimes.
Benefit-Based Liability Model	Corporate liability arises when the corporation gains economic or strategic benefit from the offense.	Applies in cases such as fraudulent lending, manipulated reports, or illegal transactions that improve corporate performance.	To ensure corporations cannot escape liability while enjoying unlawful benefits.
Corporate Culture Model	Liability is based on a permissive organizational culture that tolerates illegal practices.	Relevant when management knowingly ignores repeated irregularities or institutionalizes unlawful practices.	To address structural criminal behavior rooted in corporate culture.
Balancing Interests Model	Seeks proportionality between punishment, customer protection, and financial system stability.	Important in banking due to the systemic role of banks in the economy.	To maintain justice without disrupting financial stability.

Corrective Sanctions Model	Sanctions are designed not only to punish but to reform governance structures.	Includes fines, restitution, compliance reform, business restrictions, and license revocation.	To restore legal order and improve institutional integrity.
Reconstruction Model (<i>Ius Constituendum</i>)	Future-oriented legal reform to clarify indicators of corporate fault and improve enforcement mechanisms.	Includes harmonization of banking law, criminal law, and supervisory law.	To strengthen legal certainty and effectiveness of corporate criminal law.

This balanced model is important because the banking sector holds a strategic role in the economy. Excessive punishment may trigger broader systemic risks, whereas insufficient accountability may foster impunity. Thus, legal policy must seek equilibrium between justice, deterrence, and economic stability. As part of legal reform, a reconstruction of criminal law policy toward banking corporations is necessary through several strategic measures:

1. Formulating more specific indicators of corporate fault in banking regulations;
2. Harmonizing corporate criminal law with financial services supervisory regulations;
3. Strengthening supervisory authority over internal governance failures in banks;
4. Clarifying evidentiary mechanisms for proving corporate criminal liability in banking cases; and
5. Strengthening sanctions against corporations, including fines, business restrictions, governance reforms, and license revocation in certain cases.

Tabel : Ideal Reconstruction Model (Recommended)

Component	Recommended Reconstruction
Legal Framework	Harmonization between Banking Law, Criminal Code, and Corporate Crime Procedure Law.
Corporate Fault Indicators	Clearer statutory indicators for omission, negligence, and institutional tolerance.
Evidence System	Stronger evidentiary standards for linking individual conduct to corporate structures.
Sanctions	More proportional sanctions including governance reform obligations.
Supervision	Stronger authority of Financial Services Authority and banking regulators in detecting institutional fault.
Compliance Obligation	Mandatory strengthening of anti-fraud and whistleblower systems.

The model of corporate criminal liability in the banking sector must move beyond the traditional individual-centered approach toward an integrated institutional accountability framework. The ideal model should combine individual liability, corporate negligence, governance failure, compliance weakness, and benefit-based attribution to effectively address abuse of authority in banking institutions. Such a model is essential to ensure legal certainty, justice, deterrence, customer protection, and the stability of the national financial system

Through this reconstruction, the model of corporate criminal liability in the banking sector is expected to create a more just legal system, provide deterrent effects, protect customer interests, and maintain the stability of the national banking industry. This reconstruction is necessary to align legal policy with the complexity of modern banking crimes, which increasingly involve institutional structures, technological systems, and organized economic interests.

IV. Conclusion

Based on the discussion and analysis conducted in this study, several conclusions may be drawn as follows:

1. Abuse of authority in the banking sector manifests in various forms, including fraudulent lending practices, misappropriation of customer funds, manipulation of banking data and documents, and abuse of banking information technology systems. These acts are not always purely individual offenses but may be qualified as corporate crimes when there is a close relationship between the perpetrator's conduct and the corporate organizational structure, business interests, internal policies, or institutional negligence. The characteristics of such crimes show that banking crimes often involve systemic weaknesses, making corporate liability relevant within modern criminal law.
2. The regulation of corporate criminal liability in Indonesia has normatively developed through various legal instruments, including Law Number 10 of 1998 concerning Banking, Law Number 1 of 2023 concerning the Criminal Code, and Supreme Court Regulation Number 13 of 2016. These regulations provide legal grounds for recognizing corporations as criminal law subjects. However, in practice, law enforcement still tends to focus on individual perpetrators, while corporate liability remains underutilized due to difficulties in proving institutional fault and connecting individual acts with corporate governance failures.
3. The ideal model of corporate criminal liability in addressing abuse of authority in the banking sector should be based on an integrative approach combining individual and corporate liability, the doctrine of corporate negligence, good corporate governance principles, effective compliance systems, and risk management mechanisms. This model is necessary to ensure proportional accountability, strengthen preventive measures, create deterrence, protect customer interests, and maintain financial system stability. Furthermore, reconstruction of legal policy is necessary to provide clearer indicators of corporate fault and strengthen harmonization between banking regulations and criminal law enforcement.

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