

Corporate Accountability in Major Corruption Cases: The Efficacy of Criminal Sanctions Under the New Criminal Code Law

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Abstract: *This study aims to analyze the effectiveness of corporate criminal liability for major corruption crimes based on Law Number 1 of 2023 concerning the Criminal Code (New Criminal Code). Using the normative juridical method, this study examines the change in the criminal law paradigm from an individualistic orientation to the recognition of corporations as independent criminal law subjects. The results of the study show that the new Criminal Code provides a comprehensive legal basis for the application of the principle of corporate criminal liability, through explicit provisions in Articles 45-51 that affirm the form of offense, the mechanism of proof, and the type of criminal sanctions against corporations. Additional crimes such as freezing business activities, dissolving corporations, and state supervision are considered more efficient in encouraging institutional reform than fines alone. However, the effectiveness of implementing this norm is still faced with institutional challenges, limited law enforcement capacity, and the need for uniform prosecution guidelines. Conceptually, the new Criminal Code marks the transformation of national criminal law towards a system that emphasizes a balance between substantive justice, legal certainty, and social benefit. Consistent, proportionate, and evidence-based law enforcement is the key to the realization of the rule of law against corporate entities in Indonesia.*

Keywords: *Corporate Liability: New Criminal Code: Efficacy of Sanctions*

INTRODUCTION

The phenomenon of increasing corruption cases involving legal entities or corporations shows that the practice of economic crimes has shifted from mere individual violations to institutionally structured forms of collective crime. Corporations are no longer just a means, but can transform as the main actors who have the capacity to regulate, control, and benefit directly from corruption crimes. Crime patterns like this usually involve complex management and transaction networks that are spread across many hierarchical levels, making proving the elements of corporate wrongdoing not as simple as proving individuals. The layered organizational structure and decision-making systems hidden behind corporate policies often make criminal accountability vague, as if corrupt decisions have no real perpetrators.¹ This condition shows serious weaknesses in law enforcement, as traditional accountability mechanisms that are oriented towards human subjects are not able to reach corporations effectively. As a result, many large business entities have continued to operate despite having enjoyed the profits of corruption. This situation raises ethical and

¹ Rifai, E. (2021). Analysis of Effective Criminal Sanctions Corporations As Criminal Actors of Corruption. *International Journal of Business, Economics and Law*, 24(1), 126-130.



juridical questions about the extent to which national criminal law is able to enforce substantive justice against collective perpetrators. The reformulation of the concept of corporate accountability is an inevitable agenda to maintain the legitimacy of the criminal justice system.

The limitations of the criminal law regime before the enactment of the new Criminal Code are one of the main factors that weaken the effectiveness of corruption eradication in the corporate sector.² Indonesia's positive law has so far placed corporations as legal subjects that can be punished only if they are explicitly regulated in sectoral laws, such as in the Law on the Eradication of Corruption or the Law on Environmental Protection and Management. The fragmentation of the arrangement gives rise to disparities in evidentiary standards and differences in interpretation of the principle of error, which results in inconsistencies in court decisions.³ In some cases, corporations are often imposed administrative fines without additional penalties that can have a deterrent effect, such as dissolution, confiscation of profits, or restrictions on business activities. Such an approach creates the perception that violations of the law are a tolerable business risk as long as the profits obtained are much greater than the sanctions imposed. This problem shows the inequality between formal justice and substantive justice, where the law loses its preventive function against institutional corrupt behavior. Efforts to strengthen the normative basis of corporate criminal liability are an urgent need so that the national legal structure no longer depends on judicial interpretation alone. An integrated and uniform system is needed to close the gap of corporate impunity from the snares of criminal law.

The ratification of Law Number 1 of 2023 concerning the Criminal Code marks a fundamental paradigm shift in Indonesian criminal law. The recognition of corporations as criminal law subjects on an equal footing with individuals is a progressive step that changes the perspective on collective accountability. This new regulation expressly formulates the elements of corporate wrongdoing, which can arise both from the actions of the management and the policies of the organization that generate unlawful profits. Furthermore, the new Criminal Code provides a juridical basis for the application of additional criminal penalties such as asset confiscation, revocation of business licenses, and special supervision as a corrective instrument against institutional behavior.⁴ The change shows a shift in the orientation of criminal law from merely repressive to corrective and preventive functions, which aim to build a culture of compliance in corporate governance.⁵ However, the application of this new norm requires careful interpretation, as any form of sanction must consider the balance between legal certainty, utility, and justice. The new Criminal Code has the potential to become an instrument for transforming corporate law enforcement, as long as it is followed by adequate implementation tools. Its effectiveness depends largely on the extent to which the judicial system and law enforcement agencies are able to interpret the new norm consistently and proportionately.

² Faturachman, F. A., Hutasoit, T. J., & Hosnah, A. U. (2024). Pertanggungjawaban dan Penegakan Hukum Pidana Korporasi dalam Tindak Pidana Korupsi di Indonesia. *AKADEMIK: Jurnal Mahasiswa Humanis*, 4(2), 197-212.

³ Jimenez, G. A. (2019). Corporate criminal liability: Toward a compliance-oriented approach. *Ind. J. Global Legal Stud.*, 26, 353.

⁴ , KUHP baru memberikan dasar yuridis bagi penerapan pidana tambahan seperti perampasan aset, pencabutan izin usaha, dan pengawasan khusus sebagai instrumen korektif terhadap perilaku institusional

⁵ Ishwara, A. S. S. (2024). The Construction of Corporate Fault related to Corporate Criminal Liability in the New Criminal Code: Implications and Formulation. *LEGAL BRIEF*, 13(5), 1167-1177.

The shift from the individual paradigm to the collective paradigm in criminal accountability presents theoretical and practical challenges that are not simple. The concept *of mens rea* that has been rooted in individual consciousness must be transformed into a form of organizational error that reflects the will and interests of the corporation. The main challenge lies in proving the causal relationship between corporate policies and the criminal acts that occur, especially when decisions are taken collegially through corporate mechanisms.⁶ The court is faced with a dilemma between upholding substantive justice and maintaining economic stability, as the criminalization of large corporations can have implications for employees, shareholders, and the broader industrial sector. On the other hand, failure to punish guilty corporations actually weakens the principle of the rule of law and creates a precedent of impunity. Therefore, the theory *of identification doctrine* and *aggregation doctrine* that were widely used in the Anglo-Saxon legal system began to be considered for adaptive application.⁷ This approach allows individual mistakes at the management level to be attributed as overall corporate mistakes. The harmonization between classical criminal law theory and the characteristics of modern entities is the main challenge that must be answered by law enforcement in Indonesia.

The efficacy of criminal sanctions against corporations is not only measured by how severe the punishment is imposed, but also by the extent to which the sanctions are able to change institutional behavior.⁸ The imposition of large fines without post-conviction supervision only produces short-term effects and often does not touch the root cause of the offense. The new Criminal Code opens up the possibility for the application of sanctions for disciplinary actions, such as supervision of business activities or the appointment of temporary managers, which have the potential to correct the managerial system. This approach places criminal law as a means of corporate governance reform, not just a tool of retaliation. In the long run, the effectiveness of sanctions will be seen from changes in the company's internal policies towards more transparent and accountable governance. This accountability model is in line with the principles *of corporate compliance* which emphasizes prevention as the core of the modern criminal justice system. Efforts to strengthen external supervision and audit of corporations after criminal convictions can be an indicator of the extent to which the law functions as an instrument of structural improvement. Thus, the effectiveness of criminal sanctions cannot be separated from the design of institutions and continuous supervision.

Implementation obstacles faced by law enforcement officials are a determining factor in assessing the success of the implementation of corporate criminal liability.⁹ Limited institutional capacity, from the ability to investigate complex corporate structures to access to cross-border financial data, is a significant obstacle to enforcing the new norm. Corporate law enforcement requires synergy between institutions such as the KPK, PPATK, OJK, and the Police to ensure an integrated flow of investigation, prosecution, and

⁶ Hartanto, H. (2024). Moral Dalam Bisnis Korporasi Yang Berakibat Tindak Pidana. *Tahkim*, 20(1), 1-14.

⁷ Parningotan Malau, S. T., SH, M., & Syahlan, S. H. (2024). Criminal act, criminal liability & punishment terhadap korporasi dalam KUHP baru dan undang-undang khusus, serta tantangan penegakan hukumnya: buku referensi.

⁸ Feri Antoni, S. (2025). *Rekonstruksi Pengaturan Sanksi Pidana Bagi Korporasi Terhadap Pelanggaran Administrative Penal Law Dalam Rangka Pembaharuan Hukum Pidana* (Doctoral dissertation, Program Studi Doktor Hukum).

⁹ Kurnia, S. E. (2024). Pertanggungjawaban Pidana Korporasi dalam Tindak Pidana Perdagangan Orang. *Policy and Law Journal*, 1(1), 27-37.

execution. However, interagency coordination is often disrupted by overlapping authority and different institutional orientations. These technical obstacles show that normative reform without institutional capacity building will only result *in symbolic law*. Therefore, improving the professionalism of investigators and prosecutors, strengthening the asset tracking system, and protecting corporate witnesses are absolute prerequisites for the effectiveness of modern criminal law. The expansion of international cooperation in tracing assets resulting from corruption across jurisdictions is also a strategic aspect that must be strengthened. Corporate law enforcement performance can only be optimal if it is run in an integrated system and oriented towards public transparency.

The tension between law enforcement interests and economic stability often raises policy dilemmas that are difficult to avoid. Criminalization of large corporations has the potential to have a systemic impact on labor, the stock market, and investor confidence, especially when those corporations have a strategic role in the national economy.¹⁰ However, concerns about economic impact cannot be used as an excuse to ignore the principle of legal accountability. In fact, the clarity and consistency of the application of the law to corporations is the main foundation for the creation of a healthy business climate with integrity. When the law provides certainty and upholds justice without discrimination, the business world will adjust through the application of internal compliance mechanisms. Thus, a balance between economic interests and the rule of law can be achieved through a proportionate and risk-based sanctions policy. This approach strengthens the function of law as a means of social control that not only punishes, but also stabilizes the economic system through normative justice. The rationality of criminal policies against corporations must be directed at efforts to build an ethical and sustainable economic order.

An evaluation of the effectiveness of corporate accountability under the new Criminal Code will ultimately determine the direction of criminal law reform in Indonesia. This new system is expected to be able to close the gap in impunity and create a balanced justice mechanism between individual perpetrators and legal entities. However, such success is not only determined by the text of the law, but by the extent to which its principles are internalized in law enforcement practices and corporate policies. Consistent implementation will encourage the formation of a culture of compliance based on integrity, where corporations no longer view the law as an obstacle but rather as part of a sustainable business strategy.¹¹ Public supervision, transparency of law enforcement, and civil society participation are supporting elements that strengthen the legitimacy of the criminal justice system. If these new norms are applied fairly, Indonesia can become a model for the progressive implementation of corporate law in the region. A transformation of criminal law oriented towards efficacy and substantive justice will be the foundation for a modern legal system that places economic integrity and public morality as one. Thus, corporate accountability is not only a form of punishment, but an instrument of reform towards fair state and business governance.

METHOD

This research uses a normative juridical approach, which is a legal research method that focuses on positive legal norms, legal principles, and doctrines that live in the national legal system. This approach focuses on

¹⁰ Novilia, V., & Yusuf, H. (2024). Efektivitas Sanksi Hukum Dalam Penanggulangan Tindak Pidana Ekonomi Khusus: Perspektif Hukuman Ekonomi Terhadap Pelaku Kejahatan Korporasi. *Jurnal Intelek Insan Cendikia*, 1(9), 5364-5378.

¹¹ Fitriah, R., & Yusuf, H. (2025). Legal Implications of Economic Crimes on Market Stability: A Normative Review in Indonesia. *Journal of Intellectuals and Scholars*, 2(1), 832-842.

the analysis of the substance of the written law (law in books) that regulates corporate criminal liability, especially after the enactment of the New Criminal Code (Law No. 1 of 2023). The main purpose of this method is to examine the extent to which normative changes in the new Criminal Code provide a strong and effective basis for law enforcement against corporations involved in major corruption crimes.

The object of study in this study includes normative arrangements regarding the subject of corporate law, the principle of criminal liability, and the types of criminal sanctions as well as disciplinary actions as stipulated in Articles 45 to 51 of Law No. 1 of 2023. The regulation is a significant breakthrough because it affirms corporations as the subject of criminal law that can be held accountable, both for the actions of their management and corporate policies that cause criminal consequences. Thus, this study seeks to systematically and teleologically interpret these norms in order to test their conformity with the principles of justice, the effectiveness of sanctions, and the goals of modern criminal law.

Research data was obtained through library research which involved searching primary, secondary, and tertiary legal materials. Primary legal materials consist of laws and regulations such as Law No. 1 of 2023 concerning the Criminal Code, Law No. 31 of 1999 jo. Law No. 20 of 2001 concerning the Eradication of Corruption, as well as other related regulations governing corporate crimes. Secondary legal materials include legal literature, research results, scientific journals, and the views of corporate criminal law experts relevant to corporate liability issues. Meanwhile, tertiary legal materials in the form of legal dictionaries, legal encyclopedias, and official publications of law enforcement agencies are used to strengthen conceptual and terminological understanding.

The analytical approach used is the statute approach and the conceptual approach. The legislative approach is carried out by examining the norms contained in the new Criminal Code to identify the legal position of corporations as perpetrators of criminal acts and the mechanism for applying sanctions. Meanwhile, the conceptual approach is used to examine criminal law doctrines regarding *corporate liability*, *vicarious liability*, and *aggregation doctrine* which are the theoretical basis in formulating corporate liability. This analysis was carried out by comparing the provisions in the new Criminal Code with modern criminal law theories and judicial practices that have developed previously.

The data analysis process is carried out by systematic and teleological interpretation methods. Systematic interpretation is used to understand the position of articles related to corporate liability in the overall structure of criminal law, including their relationship to the general principles of the Criminal Code such as the principle of legality (Article 1), the principle of error (Article 35), and the principle of criminal liability (Articles 45–51). Meanwhile, the teleological interpretation is used to interpret the social and moral purpose of the regulation, which is to ensure that the criminalization of corporations is not only retributive, but also has a corrective and preventive function. Thus, the results of this study not only assess the formal validity of legal norms, but also their effectiveness in achieving substantive justice.

The normative juridical approach in this study also adopts a limited comparative approach to look at international practices in the application of corporate criminal liability. Models from other jurisdictions, such as *the Corporate Manslaughter and Corporate Homicide Act* in the United Kingdom or the collective accountability system in the Netherlands, are used as a benchmark for the formulation of Articles 45–51 of the New Criminal Code. The aim is to identify the extent to which Indonesia's criminal law system has

adopted the universal principles of *corporate criminal liability* recognized in international law. In this way, research is not only descriptive of norms, but also analytical of their effectiveness.

The legal analysis technique used is prescriptive-analytical, namely providing legal arguments about what should be done (*das sollen*) to ensure the effectiveness of the implementation of corporate criminal liability under the new Criminal Code. The researcher examines the possibility of applying additional criminal sanctions such as revocation of business licenses, dissolution of corporations, or confiscation of profits from criminal acts as an instrument of prevention against systematic corruption practices. This analysis is directed at assessing the extent to which the new Criminal Code can become a *lex generalist* that strengthens sectoral provisions in the Anti-Corruption Law without causing legal disharmony.

The results of this normative juridical method are expected to provide a comprehensive understanding of the efficacy of criminal sanctions against corporations under Law No. 1 of 2023, both theoretically and practically. This study emphasizes that the effectiveness of regulation does not only depend on the existence of norms, but also on the ability of the legal system to apply them consistently, proportionately, and fairly. By examining the norms of the new Criminal Code in depth, this study seeks to contribute to strengthening the concept of corporate criminal responsibility that is more adaptive to the dynamics of modern economic crimes and in line with the goals of national criminal law reform.

DISCUSSION

1. Reorientation of Corporate Criminal Liability in the National Criminal Law Paradigm

Criminal law reform through Law Number 1 of 2023 concerning the Criminal Code reflects a fundamental shift in the construction of the Indonesian legal system, which was previously oriented towards individual actors, now recognizes corporations as entities that have their own legal will. The norms in Articles 45 to 51 mark an explicit codification of the doctrine of *corporate criminal liability*, which for the past two decades has been regulated only sectorally without a uniform conceptual framework. This recognition emphasizes that corporations are not just legal objects, but subjects who can be responsible for criminal acts committed for their interests. Such an accountability structure strengthens the principle of legality and the principle of wrong, because corporate faults are no longer understood as management errors, but also systemic failures in governance that result in crimes.¹² This paradigm reflects the adoption of identification theory and aggregation theory that developed in the Anglo-Saxon system, with adjustments to the national legal structure. The existence of the new norm expands the space for law enforcement against economic criminals who operate collectively and organized. This reorientation establishes a theoretical foothold that criminal responsibility is not only inherent in human will, but also in institutional will that is realized through corporate policy. Through this reformulation, the new Criminal Code confirms that Indonesia's criminal law is moving towards a more rational and adaptive legal regime to the development of modern corporate crime.

¹² Blandini, A., Aliberti, E. L., & Vairo, L. (2023). Corporate Criminal Liability in the Perspective of Rehabilitation: The Bewilderment of Walking without a Map. *European Business Law Review*, 34(5).

The shift has methodological implications for criminal law enforcement, as the old paradigm of emphasizing individual responsibility is no longer adequate to reach structural crimes. The concept of collective error introduced by the new Criminal Code requires a reinterpretation of the *mens rea* element, because criminal wills in corporations arise from an institutional decision-making process.¹³ Law enforcement against corporations must now pay attention to the relationship between organizational policies and the consequences caused to the public interest. Thus, criminal law enforcement is no longer directed at who acts, but rather at how the organizational system fails to prevent violations from occurring. Proof of corporate wrongdoing no longer relies on a single perpetrator, but on evidence of policies, orders, or structural negligence. The new Criminal Code systematically adopts the principle that corporate faults can stand on their own as an entity that is autonomous from individual fault.¹⁴ This reform is a milestone in the renewal of criminal liability theory in Indonesia, because it affirms the function of criminal law as a regulator of institutional morality.

The philosophical foundation of this reorientation rests on the principle of substantive justice that places the law as a tool for social improvement, not just an instrument of punishment. Corporations as economic actors have a large capacity to influence social and economic structures, so their legal responsibilities cannot be equated with individuals. The granting of criminal subject status to corporations shows a legal awareness that modern crimes are often committed through formal legal mechanisms, but produce destructive social consequences. Criminal law that does not recognize the role of corporations will lose relevance because it fails to touch the source of systemic crime. By explicitly regulating corporate criminal liability, the new Criminal Code seeks to strike a balance between legal certainty and law enforcement effectiveness. This paradigm makes criminal justice not just a personal matter, but an institutional issue that demands a comprehensive improvement of values and structures. The principle of substantive justice is reflected in efforts to enforce the moral responsibility of legal entities for the social damage they cause.

Normatively, the codification of corporate liability strengthens legal certainty and reduces reliance on inconsistent judicial interpretations. Prior to the new Criminal Code, various sectoral laws applied different approaches to corporate accountability, such as in the Anti-Corruption Law, the Environment Law, and the Anti-Corruption Law, which led to disparities in law enforcement. The new Criminal Code presents an integrated system that explains the elements of error, criminal forms, and proven mechanisms in a systematic manner. The consistency of this norm provides a strong basis for law enforcement officials to apply the principle of legality firmly. Thus, this reform not only serves to uphold formal justice, but also restore public confidence in the rationality of criminal law. This reorientation removes the impression that criminal law is only on the side of individual perpetrators, by expanding the scope of responsibility for economic power structures. Consistent codification is a form of criminal law modernization in line with global demands for business entity accountability.

This paradigm transformation also strengthens the legitimacy of national law in the face of international law developments. The principles in the new Criminal Code are in line with *the UN Convention Against*

¹³ Ambos, K. (2018, December). International Economic Criminal Law: The Foundations of Companies' Criminal Responsibility Under International Law. In *Criminal Law Forum* (Vol. 29, No. 4, pp. 499-566). Dordrecht: Springer Netherlands.

¹⁴ Aryaputra, M. I., & Triwati, A. ARAH KEBIJAKAN SISTEM PEMIDANAAN BAGI KORPORASI DALAM KUHP NASIONAL. *Masalah-Masalah Hukum*, 52(2), 208-216.

Corruption (UNCAC) which emphasizes the need for corporate accountability in the eradication of economic crimes. The integration of these norms shows Indonesia's readiness to adapt its legal system to global practices without losing its national character.¹⁵ This normative approach shows that criminal law is no longer reactive, but plays a role as an instrument for the formation of corporate behavior with integrity. Thus, the new Criminal Code places corporate criminal responsibility as part of a progressive national legal policy. The alignment between international principles and national law signifies the maturity of Indonesia's criminal law system. The reformulation of these norms not only strengthens domestic justice, but also enhances Indonesia's position as a serious country in upholding global corporate ethics.

2. Efficacy and Proportionality of Criminal Sanctions against Corporations Based on the New Criminal Code

The effectiveness of criminal sanctions against corporations is measured by the extent to which they are able to restore the legal order and prevent the recurrence of economic crimes. The new Criminal Code emphasizes that the criminal purpose of corporations is not solely retaliation, but also to improve institutional behavior and protect the public interest. The application of additional criminal measures such as supervision, restrictions on business activities, or the dissolution of corporations shows a more corrective than repressive orientation of criminal law. This approach is based on the view that criminal justice against corporations should reflect a balance between punishment and institutional reform. Criminal efficacy cannot be measured only by the severity of the punishment, but by the extent to which legal norms are able to cause structural changes in corporate culture. Thus, the new Criminal Code emphasizes that crimes against corporations function as an instrument of economic moral reconstruction.¹⁶ Sanctions are used as a means to restore the value of social justice damaged by the abuse of economic power. This principle marks a shift in the function of criminal law from a tool of coercion to a tool for the formation of public ethics.

The proportionality of sanctions is a central issue that determines criminal justice against corporations. The new Criminal Code gives judges the flexibility to assess the level of offences and criminal consequences based on the level of corporate involvement and their impact on society.¹⁷ This mechanism ensures that punishment does not create new injustices that harm third parties, such as employees or minority shareholders. Proportionality also relates to the principles of *culpa in eligendo* and *culpa in vigilando*, which demand that structural errors be distinguished from individual errors. Thus, criminal charges against corporations must be imposed selectively against entities that actually profit from criminal acts. The enforcement of this principle shows that the new Criminal Code not only prioritizes legal certainty, but also upholds substantive justice. Proportionate sanctions strengthen the effectiveness of criminal law because they provide a clear moral message without causing unnecessary economic damage. The rationality of this penal policy shows that criminal law can function as a means of harmonization between justice and utility.

¹⁵ Nugraha, R. S., Rohaedi, E., Kusnadi, N., & Abid, A. (2025). The Transformation of Indonesia's Criminal Law System: Comprehensive Comparison between the Old and New Penal Codes. *Reformasi Hukum*, 29(1), 1-21.

¹⁶ Korkka-Knuts, H., & Melander, S. (2025). Contours of a principled corporate sanction policy in the EU: Exploring a constitutionally justified balance between criminal and administrative sanctions. *New Journal of European Criminal Law*, 16(1), 31-52.

¹⁷ Auriol, E., Hjelmeng, E., & Søreide, T. (2023). Corporate criminals in a market context: enforcement and optimal sanctions. *European Journal of Law and Economics*, 56(2), 225-287.

The efficacy of corporate criminal sanctions is also determined by the consistency of law enforcement in implementing new norms. The new Criminal Code provides a sufficient legal basis for institutions such as the KPK and the Prosecutor's Office to prosecute corporations without having to wait for the criminalization of individuals. The application of the principle of corporate autonomy removes the ambiguity that has been undermining efforts to eradicate corruption in the private sector. However, the success of this norm depends on the professionalism of the authorities in conducting evidence-based investigations and complex financial analysis. Crimes against corporations must be imposed based on the principles of *evidence-based justice*, not political pressure or economic interests.¹⁸ Without such consistency, the effectiveness of the new Criminal Code will only be declarative. Strengthening the capacity of law enforcement agencies is a fundamental requirement for the criminal sanctions system to function as intended by lawmakers. Fair and transparent implementation will increase public confidence in the rule of law.

The approach carried out by the new Criminal Code also expands the dimension of sanctions from the preventive aspect towards structural improvement. Criminalization is no longer understood as the end of the legal process, but rather the beginning of corporate governance reform. The application of sanctions such as supervision or business freezing can be used as a legal guidance instrument for corporations to improve their internal control systems. This mechanism provides an opportunity for judicial institutions to play a direct role as regulators of institutional behavior. Sanctions are not only repressive, but also educational by creating new ethical standards in business activities. The new Criminal Code thus combines aspects of restorative justice in the realm of corporate criminal law. The goal is not only to punish, but also to restore public trust in economic morality. The implementation of measurable sanctions will encourage the formation of a sustainable culture of compliance.

Improving the effectiveness of corporate criminal sanctions requires the support of derivative regulations in the form of uniform and applicable prosecution guidelines that can be applied across sectors. Without this guidance, the application of Articles 45-51 of the Criminal Code has the potential to produce legal disparities between cases and between institutions. This guideline must formulate clear criteria regarding the level of error, the appropriate form of punishment, and the post-verdict evaluation mechanism. The establishment of such standards will strengthen judicial consistency and reduce excessive interpretation space. Thus, criminal law can function predictively and does not depend on the subjectivity of the apparatus. The new Criminal Code needs to be implemented through synergy between legislators, law enforcement agencies, and economic authorities so that the sanctions imposed truly reflect the balance between justice and legal certainty. If this implementation system runs effectively, the criminal law will not only be a tool of enforcement, but also a moral control mechanism that maintains the integrity of the national economy.

3. Challenges of Implementation and Enforcement Strategy for Corporate Criminal Liability Post-New Criminal Code

The implementation of corporate accountability norms in the new Criminal Code faces serious challenges at the institutional implementation level. Law enforcement against corporations requires synergy between the KPK, the Prosecutor's Office, PPATK, and the OJK, which often run with different orientations. Coordination between agencies still faces juridical obstacles due to differences in authority, investigation

¹⁸ Davis, K. E. (2019). The limits of evidence-based regulation: The case of anti-bribery law. *NYU Law and Economics Research Paper*, (19-42).

procedures, and the focus of law enforcement priorities. This systemic fragmentation leads to potential overlap and slows down the process of handling corporate cases. For the new Criminal Code to be effective, a formal coordination mechanism is needed that ensures continuity between the investigation, investigation, and prosecution stages. The integration of information technology-based law enforcement systems is one of the strategies that can accelerate data exchange and synchronization of enforcement policies. Without a strong coordinating mechanism, the existence of progressive norms in the new Criminal Code will not be able to achieve the expected social goals. Institutional reform is a prerequisite for realizing the efficacy of corporate criminal liability as a whole.¹⁹

The complexity of modern corporate structures also presents technical challenges for law enforcement officials. Investigations into corporate crime require cross-disciplinary expertise, including forensic accounting, compliance auditing, and analysis of global financial transactions. The new Criminal Code has indeed provided a legal basis for corporate criminalization, but its success depends on the ability of investigators to penetrate the layers of corporate law that are often used to disguise crimes. The application of the principle of piercing the corporate veil must be carried out carefully so as not to create uncertainty for legally operating entities. The investigation strategy must be able to separate between corporations that actively commit violations and those that are victims of abuse of internal authority. Without a proper investigation methodology, the new Criminal Code norms risk producing legal and economic injustice. Strengthening the technical capacity of the apparatus is the key to the successful implementation of corporate criminal law. A legal system that is not adaptive to modern financial technology will be left behind in the face of cross-jurisdictional economic crime.

Limited human resources and law enforcement facilities require a comprehensive criminal policy strategy. Law enforcement against large corporations requires adequate financing, expertise, and legal infrastructure so as not to rely on political pressure. A criminal policy-based approach must be designed so that the norms of the new Criminal Code do not stop at the declarative level. The implementation of this policy includes increasing investigative capacity, establishing a special unit for handling corporations, and the use of digital systems for asset tracking. Criminal policies also need to regulate protection for internal *whistleblowers* as part of the early detection system for violations of corporate law. A prevention-oriented enforcement strategy will be more efficient than a repressive approach that incurs high social costs. An effective functioning criminal law can only be realized if it is supported by rational and just public policies.²⁰

The implementation of the new Criminal Code also presents ethical challenges, especially in maintaining a balance between law enforcement and economic sustainability. Criminalization of large corporations can have a systemic impact on employment, investment, and market confidence. Therefore, law enforcement strategies must consider the principle of distributive justice that ensures that crime does not cause broader social harm than the crime itself. Courts need to apply the principle of proportionality and the principle of social benefit simultaneously so that substantive justice is achieved without sacrificing economic stability. The new Criminal Code provides space for the application of tiered sanctions that allow supervision or restriction of business activities as an alternative to dissolution. This approach maintains a balance between

¹⁹ Ishwara, A. S. S. (2024). The Construction of Corporate Fault related to Corporate Criminal Liability in the New Criminal Code: Implications and Formulation. *LEGAL BRIEF*, 13(5), 1167-1177.

²⁰ Danylevska, Y., Sokur, T., Bodnaruk, O., Shevchuk, A., & Stratiy, O. (2021). Criminal Liability of Legal Entities for Environmental Crimes: Problems of Law Enforcement Practice.

the protection of the public interest and the sustainability of the economic system. The dynamic principle of justice makes criminal law a means of improvement, not the destruction of social structures. The success of the implementation of the new Criminal Code is determined by the ability to uphold justice without causing destructive economic excesses.

The effectiveness of the new Criminal Code as an instrument of corporate accountability will largely depend on the integration between norms, institutions, and legal culture. The establishment of a legal culture that places compliance as a top moral value is a crucial step to prevent corporate crime in a sustainable manner. Corporations need to be directed to make legal compliance part of a business strategy that supports economic sustainability. Strengthening the *corporate compliance* system and external supervision can reduce the risk of criminal violations in the future. Transparency of the legal process and the participation of civil society in supervision are elements that strengthen the legitimacy of the criminal system. Periodic evaluation of the effectiveness of sanctions and inter-institutional coordination are needed so that the legal system does not lose its corrective power. If these principles are implemented consistently, then the new Criminal Code will not only become a normative instrument, but also a symbol of the civilization of national law. This transformation will uphold the rule of law as the main pillar in building economic governance with justice and integrity.

CONCLUSIONS

An overall analysis of corporate criminal liability under Law Number 1 of 2023 concerning the Criminal Code shows that this legal update marks an important phase in the evolution of Indonesia's criminal law system towards a more rational, progressive, and adaptive model to the complexity of modern economic crimes. The recognition of corporations as subjects of criminal law strengthens the foundations of substantive justice, as the law is now able to reach the perpetrators of collective crimes that were previously hidden behind legal organizational structures. The new norms on corporate fault, structural errors, and additional corrective crimes affirm the function of criminal law as a means of institutional moral improvement, not just a punitive instrument. Sanctions that are proportionate and based on internal reforms provide a new direction for law enforcement that balances legal certainty, utility, and protection of the public interest. However, the effectiveness of the implementation of these norms is highly dependent on the institutional capacity, professionalism of the apparatus, and coordination between law enforcement agencies which often face fragmentation of authority. Technical challenges such as corporate wrongdoing, asset tracking, and post-conviction oversight demand evidence- and technology-based legal strategies. The application of the principles of piercing the corporate veil and evidence-based prosecution are key elements so that law enforcement can run effectively and fairly. A comprehensive criminal policy approach needs to be designed to ensure that the implementation of the new Criminal Code does not stop at the declarative level, but manifests into a substantive legal mechanism with real social impact. Legal justice for corporations must not stop at symbolic punishment, but must give birth to a sustainable compliance system. Harmonization between criminal law, economic policy, and business governance is the main requirement for the realization of an effective rule of law. The reform of the criminal law through the new Criminal Code thus represents a strategic step towards law enforcement that not only upholds norms, but also restores public morality and national economic integrity. When the legal system is able to balance justice with benefits, corporate criminal liability will function as the main pillar of modern and socially just legal development.

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