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Criminal Law Formulation Policy Regarding Payment of Money In Substitution For Criminal Acts of Corruption From The Perspective of Dignified Justice

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ABSTRACT

Corruption is an extraordinary crime that remains a serious problem in Indonesia despite the implementation of various regulations such as Law Number 31 of 1999 in conjunction with Law Number 20 of 2001 concerning the Eradication of Criminal Acts of Corruption. One important instrument in recovering state losses due to corruption is the penalty of replacement money. However, in practice, the application of replacement money as an additional penalty has not been effective due to legal and technical obstacles, such as the difficulty of tracking assets, weak coordination between law enforcement agencies, and the absence of a consistent execution mechanism. This study aims to analyze the legal implications of criminal law formulation policies related to the regulation of replacement money and to formulate a direction for criminal law reform based on the concept of dignified justice. This study uses a normative legal research method with a statutory, case, and conceptual approach. The analysis is conducted prescriptively through grammatical and systematic interpretation of laws and regulations, doctrine, and judicial practice. The results show that the regulation of replacement money as an additional penalty does not reflect substantive justice because it emphasizes the retributive aspect rather than the restorative aspect. Legal reform is needed by making compensation a primary punishment so that the primary objective of punishment is to restore state losses. The dignified justice approach positions humans as moral subjects responsible for redressing public losses, in line with the values of Pancasila. Therefore, this reformulation is expected to create a more just, humane, and socially just criminal legal system.

Keywords: Corruption, Replacement Money, Criminal Law Formulation Policy, Dignified Justice, Recovery of State Losses.

1. INTRODUCTION

Corruption is currently rampant in many countries, including Indonesia, as a crime that has garnered public attention due to the persistent lack of effective measures to reduce corruption. Essentially, corruption has been around for a long time, causing losses to state finances and violating the rights of the wider community. This is why corruption in Indonesia is considered an extraordinary crime and requires extraordinary efforts to address it. Corruption is harmful to society in general due to its profound impact on social, political, bureaucratic, economic, and even individual personal lives. (Marlina & Muliyono, 2023; Damping, 2019)

The growth of corruption in Indonesia has not decreased from year to year, in fact, the forms of corruption have kept pace with increasingly sophisticated developments. This shows that

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the increase in corruption is not only in quantity or number but also in quality. State officials today shamelessly use corruption as an effort to fulfill a materialistic lifestyle, threatening the sustainability and finances of the state. In fact, the government has long established legislation to prevent corruption, namely by issuing Law Number 31 of 1999 concerning the Eradication of Criminal Acts of Corruption, which was later amended by Law Number 20 of 2001 (hereinafter referred to as the Corruption Law), but these efforts have not been effective enough to free Indonesia from the problem of corruption. (Marlina & Muliyono, 2023; Damping, 2019)

The high level of corruption in Indonesia can be seen, among other things, from the Corruption Perception Index (CPI). Indonesia Corruption Watch (ICW) in 2023 stated that Indonesia's CPI score was 34, compared to 38 the previous year, placing Indonesia in 110th place out of 180 countries. This ranking places Indonesia among the third most corrupt countries in the world, even lagging far behind other Asian countries (Singapore, Malaysia, Timor Leste, Vietnam, and Thailand). The CPI score that decreased in 2023 is the second time during President Joko Widodo's administration, because in 2020 the CPI score also decreased from 40 to 37. This CPI score data shows that Indonesia's corruption ranking compared to other countries in the world has returned to its starting point, namely 2014, which also recorded the same score. (Marlina & Muliyono, 2023; Damping, 2019)

Corruption eradication can be successful if there is support from various parties, especially law enforcement. Judges are one of the law enforcers who have the authority to decide corruption cases fairly, provide a deterrent effect and provide education to the wider community to prevent the same or repeated corruption. This shows that the presence of judges in the legal system in Indonesia is expected to be able to reduce the high number of corruption cases through their decisions that are appropriate and fair. Judges should issue appropriate criminal sentences for corruptors, not only with imprisonment, but also with additional penalties to provide a deterrent effect in the form of returning state funds that have been embezzled (payment of compensation for corruption crimes). This compensation payment is intended to compensate for the losses incurred due to the crime, while also being a form of responsibility for the actions that have been committed that have harmed state finances. (Marlina & Muliyono, 2023; Damping, 2019) (Kenedi, 2017; Arief, 2001) (Amiruddin & Asikin, 2016)

Replacement money as a form of additional punishment (bijkomende straff) is regulated in Article 66 paragraph (1) of Law Number 1 of 2023 concerning the Criminal Code (hereinafter referred to as the New Criminal Code) while the provisions of the Main Criminal in the form of imprisonment, closure, supervision, fines and social work are regulated in Article 65 paragraph (1).

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The New Criminal Code which includes the payment of replacement money as an additional punishment is in line with the old system, as regulated in Article 18 of the Corruption Law, but replacement money is still not a main punishment. Then in the Draft Criminal Procedure Code which focuses on regulating the criminal law enforcement process and efforts to accelerate execution including the execution of additional punishment such as replacement money in corruption cases. The Draft Criminal Procedure Code pays special attention to accelerating the execution of additional punishment, including the mechanism for confiscation and seizure of assets to support the recovery of state losses. This could be a solution to prevent evasion of execution by corruption convicts. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Kenedi, 2017; Arief, 2001)

Payment of compensation for corruption is specifically regulated in Article 18 paragraph (1) letter b of the Corruption Eradication Law, however, there is still no clear definition regarding the meaning of compensation in the legislation. However, several legal experts have provided views regarding the definition of compensation. Sapardjaja provides an understanding related to compensation, namely an amount of money that has actually been enjoyed by a person who is an accused and obtained from the act of corruption that he committed so that the amount can be calculated with certainty. Then Mariadi gave his opinion that compensation is an amount of money that must be paid to the state, the amount of which must be able to replace it because it was not used without rights and in the case of compensation payments, there is no "joint system" so that payments are made individually. (Marlina & Muliyono, 2023; Damping, 2019) (Amiruddin & Asikin, 2016)

The amount of compensation for corruption crimes as regulated in Article 18 paragraph (1) letter b of the Corruption Eradication Law is basically calculated based on the amount of money obtained or enjoyed by the perpetrator from the proceeds of corruption. This provision has a direct relationship with the concept of state losses, because compensation is intended to recover losses incurred due to acts of corruption. The legal definition of state losses can be found in Article 1 number 22 of Law Number 1 of 2004 concerning State Treasury (State Treasury Law), which states that: (Marlina & Muliyono, 2023; Damping, 2019) (Amiruddin & Asikin, 2016)

> "State/regional losses are a real and definite lack of money, securities or goods as a result of unlawful acts, whether intentional or negligent."

Based on the above provisions, the legal basis regarding state losses and the obligation to replace them strengthens the urgency of implementing criminal compensation in corruption crimes as an instrument for recovering state finances. However, the regulation of state losses in the State

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Treasury Law and the State Loss Law is still limited to real nominal losses (actual loss) and a definite amount. However, from a civil law perspective, the concept of loss has a broader scope as regulated in Article 1243 of the Civil Code which emphasizes that compensation arises due to default or negligence, while Article 1246 of the Civil Code explains that compensation includes three elements, namely: (1) real losses (schade), (2) profits lost or should have been obtained (gederfde winst), and (3) interest that should have been calculated (interest). (Marlina & Muliyono, 2023; Damping, 2019) (Amiruddin & Asikin, 2016)

These differing perspectives demonstrate that the concept of damages in civil law is broader and more comprehensive than the concept of state losses in public law. Therefore, studies on compensation in corruption crimes need to consider a civil law approach, so that recovery of state losses is not limited to just the nominal amount enjoyed by the perpetrator, but also reflects the full extent of the actual losses suffered by the state. (Marlina & Muliyono, 2023; Damping, 2019)

Based on these conditions, the application of substitute money as an additional penalty in the Corruption Law and the New Criminal Code still creates a legal vacuum, because the recovery of state losses has not been prioritized in judges' decisions and has the potential to not reflect the full extent of the losses suffered by the state. Theoretically, this provision is not in line with the concept of losses in civil law, which includes nominal losses, profits that should have been obtained, and interest that should be calculated. Therefore, it is urgent to carry out legal reforms to fill this legal vacuum through the formulation of a formulation policy that regulates substitute money as the main penalty, so that the recovery of state losses becomes the main objective of sentencing. This formulation policy is essentially an effort to formulate criminal law by lawmakers, namely the legislature (DPR) and the executive (president), and is an effort to enforce criminal law and is the government's initial step as a source of legal basis for formulating subsequent policies (applicative and executive policies). (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Ali, 2016; Arief, 2011) (Amiruddin & Asikin, 2016)

The regulation of replacement money as the main punishment is based on the existing practice in recovering state assets, confiscation is carried out through a judicial examination, so that confiscation of assets is part of the additional punishment imposed on the perpetrator, which in practice is not easy to do, especially if the convict has transferred the proceeds of corruption abroad. This condition shows that the punishment for corruptors emphasizes the follow the suspect approach, namely only by punishing the corruptors, where the convict's family can still enjoy the

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proceeds of crime while the state suffers losses both in finance and the state economy which results in a decline in the quality of citizen welfare. (Marlina & Muliyono, 2023; Damping, 2019)

The "follow the suspect" approach has proven ineffective in achieving the goal of recovering or restoring state funds from corruption, thus severely limiting its effectiveness. This becomes even more evident when the assets embezzled reach billions or trillions of rupiah, where state losses are substantial and the economic rights of the people are violated. This situation has led to the emergence of a new paradigm, "follow the money," as a law enforcement strategy focused on monitoring and controlling suspicious cash flows. This concept is based on the theory that every crime leaves a traceable money trail, thus enabling a more comprehensive recovery of state losses. (Marlina & Muliyono, 2023; Damping, 2019) (Kenedi, 2017; Arief, 2001) (Yofiza, 2025)

2. RESEARCH METHODS

The research method used is normative legal research. The approach used in this research is carried out using the statutory approach, case approach, and conceptual approach. Types and Sources of Legal Materials are primary legal materials, secondary legal materials, tertiary legal materials, and non-legal materials. Sources of legal materials use primary legal materials and secondary legal materials. After all legal materials are collected, they are then analyzed using Prescriptive, in this case using the method of grammatical interpretation and systematic interpretation. Grammatical interpretation is a way of interpretation or explanation that aims to know or understand the meaning of words in the law in accordance with the rules of language and the rules of grammatical law. (Muhaimin, 2020; Sunggono, 2015) (Amiruddin & Asikin, 2016)

3. RESULTS AND DISCUSSION

Legal Implications of Current Criminal Law Formulation Policy in Regulating Replacement Money in Corruption Crimes from a Justice Perspective

Criminal law formulation policy is a concrete manifestation of the state's efforts to design a legal system that is just, effective, and adaptive to social change. In the context of eradicating corruption, formulation policy serves as a basic framework governing how criminal law is used to address crimes that undermine state finances. Formulation policy encompasses not only the determination of criminal norms and sanctions but also the underlying philosophical principles. Through this formulation policy, the state strives to ensure that every provision of criminal law reflects a balance between the objectives of protecting the public interest and protecting the individual rights of perpetrators. Therefore, the aspect of justice is central to assessing the extent to

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which the regulation of compensation can address the need for state financial recovery while upholding the value of substantive justice for all parties. (Marlina & Muliyono, 2023; Damping, 2019).

Compensation was first explicitly regulated in Law Number 3 of 1971, then strengthened in Law Number 31 of 1999 in conjunction with Law Number 20 of 2001. This provision emerged in response to the state's weak ability to recover losses due to corruption, which often reach billions of rupiah. In this legal norm, compensatory compensation is classified as an additional penalty, which is ideally expected to be able to cover state losses resulting from unlawful acts. However, in practice, the implementation of compensatory compensation often faces legal and technical obstacles, such as difficulties in asset tracking, manipulation of asset ownership, and differences in interpretation among law enforcement officials regarding the amount to be recovered. This indicates that existing legal norms are not yet fully able to accommodate the need for substantive justice, especially when faced with the reality of the complexity of corruption cases in Indonesia. (Atmasasmita, 2012; Rozah & Nashriana, 2023).

In the national criminal law system, compensatory punishment holds a unique position as an additional punishment, not a principal punishment. This means that this punishment can only be imposed after the court has found someone guilty of corruption. This uniqueness has sparked debate because, despite its additional status, its legal implications are significant, both for the perpetrator and the state. Theoretically, additional punishment is intended to complement the principal punishment so that justice and deterrence can be fully achieved. However, in practice, many convicts lack the financial capacity to pay compensatory punishment, so an additional prison sentence is used as a substitute. This situation actually creates new problems because the primary goal of compensatory punishment, namely restoring state finances, is not achieved (Amiruddin & Asikin, 2016).

Current criminal law policy regarding compensation remains partial and tends to be reactive. The formulation of norms in Article 18 of the Corruption Eradication Law does not fully address the systemic need for law enforcement against corruptors who exploit legal loopholes to avoid reimbursing state losses. Furthermore, there is no normative clarity regarding the time limit and mechanism for confiscating the assets of third parties proven to have received proceeds of corruption. This gives the impression that criminal law formulation is solely oriented toward imposing sanctions, rather than restoring social justice. Furthermore, the formal legal approach often ignores the moral and social dimensions of corruption, which have caused collective suffering in society. (Kenedi, 2017; Arief, 2001).

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The implementation of compensation provisions at the execution stage is often a weak point in law enforcement. Under criminal procedure law, prosecutors have the authority to execute final and binding court decisions, including the confiscation and auctioning of convicts' assets. However, in practice, this process is often hampered by follow-up legal proceedings, asset ownership disputes, or lack of coordination between law enforcement agencies. Furthermore, there is a tendency for compensation to be merely a formality in sentencing decisions, with no guarantee that the state will actually receive the lost assets. This situation creates a legal imbalance between written norms and their implementation, ultimately undermining public trust in the criminal justice system. (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Kenedi, 2017; Arief, 2001) (Amiruddin & Asikin, 2016) (Maerani, 2018; Kenedi, 2017).

From a retributive justice perspective, punishment should be commensurate with the level of culpability of the perpetrator. In this context, restitution is seen as a moral instrument that serves to restore balance between the perpetrator and the victim, in this case the state. However, if the perpetrator of corruption is unable to pay restitution, retributive justice is not fulfilled because the additional prison sentence has no economic recovery value for the state. As a result, the public perceives that the perpetrator has not repaid the "moral debt" or "financial debt" incurred due to corruption. Therefore, there is a need to reconstruct the concept of retributive justice to align with the values of social justice, namely ensuring that every perpetrator truly restitution for the losses they caused. (Marlina & Muliyono, 2023; Damping, 2019) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Siambaton, 2019; Sofyansah, 2022).

In contrast, in a restorative justice approach, the primary emphasis is on restoring the original state of affairs. This concept is highly relevant in the context of corruption because the focus goes beyond simply punishing the perpetrator, but also on recovering state losses and restoring public trust in legal institutions. However, the Indonesian criminal justice system has not fully adopted restorative principles in corruption cases. Asset recovery mechanisms are still limited by lengthy and formalistic criminal procedures. However, if restorative mechanisms were adopted, perpetrators could be given legal incentives to return the proceeds of corruption before or during the trial process. This would create more proportionate justice and provide direct benefits to the state. (Marlina & Muliyono, 2023; Damping, 2019) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Amiruddin & Asikin, 2016) (Maerani, 2018; Kenedi, 2017).

One fundamental weakness in current policy formulation is the imbalance between the punitive and restorative functions. The Indonesian criminal justice system still emphasizes retaliation through imprisonment, while restitution of state losses is considered an additional

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aspect. As a result, the effectiveness of compensation as a means of restitution is marginalized. In certain cases, the state fails to recover assets even though the perpetrator has served a severe sentence. This paradox confirms that our criminal law is not fully oriented towards public benefit, as emphasized in the theory of utilitarian justice. (Arief, 2011; Erwin, 2015).

Many legal experts believe that the regulation of compensation payments falls short of the principles of legal certainty and substantive justice. Existing provisions only provide general guidelines without specifying calculation procedures or clear implementation mechanisms. This has led to disparities in decisions across similar corruption cases. In some cases, judges award compensation equal to the state's losses, while in others, the amount is only a fraction. This disparity undermines the legitimacy of the legal system and creates a sense of discrimination. Furthermore, the lack of coordination between law enforcement agencies in tracking corrupt assets is a major factor hampering the effective implementation of compensation payments. (Marlina & Muliyono, 2023; Damping, 2019) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Kenedi, 2017; Arief, 2001) (Amiruddin & Asikin, 2016).

Compared with legal systems in other countries, Indonesia still lags behind in asset recovery. In the UK and the United States, for example, the civil forfeiture mechanism is recognized, which involves the confiscation of assets obtained through civil proceedings without waiting for a final criminal verdict. This approach is considered more efficient and capable of recovering state losses quickly. Indonesia already has a similar concept in its Law Number 8 of 2010 concerning Money Laundering, but its implementation remains limited. If this approach is integrated into corruption law policy, the function of forfeiture can be maximized as an instrument of both restorative and preventive justice. (Ali, 2016; Arief, 2011).

Philosophically, justice in the context of criminal law is not only interpreted as equality before the law, but also as a balance between rights and obligations. In the case of corruption, justice can only be said to have been achieved if the perpetrator is not only physically punished but also returns the economic value that has been taken from the public. In Aristotelian theory of justice, distributive justice requires each individual to receive compensation in accordance with their contributions and actions. Therefore, criminal law policy must be designed in such a way that every perpetrator of corruption is obliged to repay the state's losses in full without exception, as a form of distributive and corrective justice. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Ali, 2016; Arief, 2011).

Criminal law reform is urgently needed to ensure the effectiveness of the compensation arrangement. Article 18 of the Corruption Eradication Law needs to be amended by expanding the

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scope of confiscation, including assets transferred to third parties or hidden through money laundering mechanisms. Furthermore, policy reform should include strengthening coordination between institutions, such as the Corruption Eradication Commission (KPK), the Prosecutor's Office, and the Financial Transaction Reports and Analysis Center (PPATK), in asset tracking. This reformulation of the norm is expected to close legal loopholes and ensure that all proceeds of corruption are returned to the state treasury, in line with the values of substantive justice expected by the public. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Ali, 2016; Arief, 2011) (Amiruddin & Asikin, 2016) (Sofyansah, 2022; Rozah & Nashriana, 2023).

Law enforcement against corruption cannot rely solely on criminal instruments. Therefore, it is necessary to integrate criminal law, civil law, and administrative law. With this multi-system approach, the recovery of corrupt assets can be achieved more quickly through civil lawsuits or state administrative action. For example, if the perpetrator transfers the proceeds of corruption to his family, the state can file a civil lawsuit to seize those assets. This integration is also crucial for creating a holistic legal system capable of delivering multi-layered justice, encompassing legal, social, and moral justice. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Kenedi, 2017; Arief, 2001) (Amiruddin & Asikin, 2016).

The legal implications of the current criminal law formulation policy are the emergence of a gap between the theory and practice of law enforcement. When the law only emphasizes the formal aspects of punishment, the values of justice expected by society are diminished. Many court decisions do not provide any real reparation for the state. As a result, corruption remains a profitable crime for perpetrators because the proceeds of corruption cannot be fully reclaimed by the state. From a progressive legal perspective, this situation indicates the need for paradigm reform so that the law not only upholds procedural justice but also substantive and social justice. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Kenedi, 2017; Arief, 2001) (Ali, 2016; Arief, 2011) (Amiruddin & Asikin, 2016).

Based on the above description, it can be concluded that the criminal law formulation policy regarding the regulation of replacement money still has many weaknesses, both in terms of norms, implementation, and the effectiveness of state financial recovery. To achieve substantive justice, a more progressive legal reformation is needed, oriented towards asset recovery and corruption prevention. The state must strengthen the asset recovery system, adopt a restorative and

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integrative approach, and ensure strong coordination between law enforcement agencies. Only in this way can replacement money become an instrument that truly reflects the values of justice, provides a deterrent effect, and simultaneously restores public confidence in the rule of law in Indonesia. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Kenedi, 2017; Arief, 2001) (Ali, 2016; Arief, 2011) (Amiruddin & Asikin, 2016) (Atmasasmita, 2012)

The Perspective of Dignified Justice Can Be Applied in the Formulation of Criminal Law Reformulation Policies Regarding Compensation Payments as the Main Criminal Offense in the Future

Dignified justice is a concept of justice that places humans as whole, moral, and civilized subjects within the legal system. This concept rejects a purely legalistic, mechanistic, and punitive view of law without regard for human values. In the context of Indonesian criminal law, dignified justice is relevant for assessing and improving criminal law policies that have previously focused more on retributive aspects than restorative ones. Reformulating policies related to the payment of restitution as the primary penalty in corruption cases is one form of implementing dignified justice that emphasizes a balance between the interests of the state, the perpetrator, and society. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Amiruddin & Asikin, 2016) (Siambaton, 2019; Sofyansah, 2022).

Dignified justice is based on the idea that the law must not only be formally just but also humane. The law must not impose sanctions that merely objectify perpetrators as a means of state retaliation, but must instead direct perpetrators to concretely correct their mistakes. In the context of corruption, the application of compensatory monetary punishment as the primary penalty reflects the principle of dignified justice because it places restitution of state losses as a form of the perpetrator's moral responsibility to the public. Thus, punishment is no longer seen as mere suffering, but rather as a means of education and restoration of dignity for both the perpetrator and the collective victim, namely society. (Marlina & Muliyono, 2023; Damping, 2019) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Siambaton, 2019; Sofyansah, 2022).

To date, restitution is regulated as an additional penalty under the Corruption Eradication Law. As a result, the effectiveness of recovering state losses often depends on the perpetrator's ability to pay after being sentenced to the principal penalty of imprisonment. In many cases, corruptors who have transferred their assets to third parties are unable to fulfill their payment obligations, resulting in restitution not being met and being replaced with additional imprisonment. Consequently, the state receives no real redress, while the perpetrators only undergo unproductive

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physical punishment. Based on the dignified justice approach, this situation indicates that the criminal justice system still does not prioritize the restoration of the social and economic values of communities harmed by corruption. (Marlina & Muliyono, 2023; Damping, 2019) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Siambaton, 2019; Sofyansah, 2022) (Maerani, 2018; Kenedi, 2017).

Philosophically, making monetary compensation the primary punishment means placing state financial recovery as the primary goal of punishment in corruption crimes. This concept aligns with Aristotle's theory of corrective justice, which emphasizes the balance between violation and reparation. From the perspective of dignified justice, monetary compensation is not merely an economic punishment, but a means of restoring the dignity of the state and society tarnished by corruption. This reformulation will also bring about a paradigm shift from "punishment to torture" to "punishment to reform." Thus, the criminal justice system will be more oriented toward social and moral responsibility, rather than merely formal retribution. (Marlina & Muliyono, 2023; Damping, 2019) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Maerani, 2018; Kenedi, 2017) (Sofyansah, 2022; Rozah & Nashriana, 2023).

Dignified justice has ideological roots in the values of Pancasila, particularly the second and fifth principles, namely "Just and Civilized Humanity" and "Social Justice for All Indonesian People." From this perspective, criminal law functions not only as a tool of order but also as a means of creating social welfare. By making restitution a primary penalty, criminal law policy will better reflect Indonesian values that prioritize the restoration of social relations between perpetrators and the state. This will also strengthen the moral legitimacy of criminal law, as perpetrators of corruption are required to return the proceeds of their crimes to society as a form of humanitarian and social accountability. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Ali, 2016; Arief, 2011) (Siambaton, 2019; Sofyansah, 2022).

Legally, changing the status of substitute money from an additional penalty to a principal penalty will have broad implications for the criminal justice system. This requires a revision of the hierarchy of criminal sanctions in both the Criminal Code and the Corruption Law. By establishing substitute money as the principal penalty, judges will have a strong legal basis to impose sanctions oriented toward recovering state losses without having to wait for other criminal proceedings. Furthermore, this change also requires increased capacity of law enforcement agencies, particularly in asset tracking and restitution execution, so that the goal of dignified justice can be achieved effectively and consistently in the field. (Marlina & Muliyono, 2023; Damping, 2019)

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(Atmasasmita, 2012; Rozah & Nashriana, 2023) (Kenedi, 2017; Arief, 2001) (Amiruddin & Asikin, 2016) (Siambaton, 2019; Sofyansah, 2022) (Maerani, 2018; Kenedi, 2017).

Dignified justice is inseparable from the restorative justice approach, which emphasizes restitution and social reconciliation. In the case of corruption, the application of this principle through compensatory monetary punishment as the primary punishment will enable perpetrators to actively participate in the state's recovery process. For example, perpetrators who, in good faith, return the proceeds of corruption may receive a lighter sentence. This approach does not mean excusing the perpetrator, but rather providing space for the simultaneous restoration of moral, social, and economic values. Thus, dignified justice restores the function of criminal law as a means of healing, not merely punishing, restoration. (Marlina & Muliyono, 2023; Damping, 2019) (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Siambaton, 2019; Sofyansah, 2022).

While conceptually ideal, the implementation of substitute money as the principal penalty faces practical challenges, including asset valuation, repayment capacity, and inter-agency coordination. If not carefully managed, this reformulation risks creating new legal uncertainty. Therefore, the implementation of this concept must be accompanied by the establishment of transparent and measurable technical mechanisms, such as an objective system for calculating state losses, a mechanism for cross-agency asset tracking, and an auditable restitution procedure. With a sound system, dignified justice can be achieved without sacrificing the principles of legal certainty and public accountability. (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Amiruddin & Asikin, 2016) (Siambaton, 2019; Sofyansah, 2022) (Sofyansah, 2022; Rozah & Nashriana, 2023).

The application of dignified justice in criminal law has the potential to bring about significant moral transformation. Punishment will no longer be understood as a form of state revenge, but as a way for perpetrators to concretely atone for their mistakes. By requiring perpetrators to repay state losses as the primary penalty, the legal system will instill an awareness that moral responsibility for economic crimes is both personal and social. In the long term, this reformulation could foster a new legal culture in which honesty, responsibility, and morality become integral parts of Indonesia's law enforcement system. (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Kenedi, 2017; Arief, 2001) (Amiruddin & Asikin, 2016) (Sofyansah, 2022; Rozah & Nashriana, 2023).

Overall, the application of dignified justice in the reformulation of criminal law policy, particularly by making compensation a primary punishment, is an important step toward a more just, civilized, and restorative legal system. This paradigm places humans at the center of the law,

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not as objects of suffering. This reformulation also aligns with the ideals of national law, rooted in the values of Pancasila, which views justice as a harmony between certainty, utility, and humanity. Thus, future criminal law policy will not only uphold the supremacy of law but also restore the nation's dignity through justice that humanizes all. (Arief, 2011; Erwin, 2015) (Atmasasmita, 2012; Rozah & Nashriana, 2023) (Ali, 2016; Arief, 2011) (Amiruddin & Asikin, 2016) (Sofyansah, 2022; Rozah & Nashriana, 2023)

4. CONCLUSION

The current criminal law policy regarding the regulation of replacement money still has many weaknesses, both in terms of norms, implementation, and the effectiveness of state financial recovery. To achieve substantive justice, a more progressive legal reformation is needed, oriented towards asset recovery and corruption prevention. The state must strengthen the asset recovery system, adopt a restorative and integrative approach, and ensure strong coordination between law enforcement agencies. Only in this way can replacement money become an instrument that truly reflects the values of justice, provides a deterrent effect, and simultaneously restores public confidence in the rule of law in Indonesia.

The application of dignified justice in the reformulation of criminal law policy, particularly by making compensation a primary penalty, is a crucial step toward a more just, civilized, and restorative legal system. This paradigm places humans at the center of the law, not as objects of suffering. This reformulation also aligns with the ideals of national law, rooted in the values of Pancasila, which views justice as a harmony between certainty, utility, and humanity. Thus, future criminal law policy will not only uphold the supremacy of law but also restore the nation's dignity through justice that humanizes all.

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