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## The identification of beneficial owners through the application of the doctrine of piercing the corporate veil by judges

Wawan Zulmawan<sup>1\*</sup>, Ashila Raisya Khaliza<sup>2</sup>, Christabel Daniella Suhendra<sup>3</sup>, Fisa Ande Pongsirinding<sup>4</sup>, Naomi Inly<sup>5</sup>, Russell Dante<sup>6</sup>, Serlita Ruben Pendang<sup>7</sup>

Faculty of Law, University of Pelita Harapan, QJC6+CVM, Klp. Dua, Tangerang, Banten Indonesia  
*\*email: wawan.zulmawan@lecturer.uph.edu*

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### ABSTRACT

Corporate crime, such as corruption, is currently on the rise, one example being the practice of concealing identities through the pretext of beneficial ownership and nominee agreements. This issue requires law enforcement to focus not only on the formal corporate structure but also on tracing the parties who actually control and benefit from the corporation. This study aims to analyze the legal status of nominee agreements and the importance of beneficial ownership transparency in closing loopholes in corporate law in Indonesia. It also analyzes the application of the "piercing the corporate veil" doctrine in Supreme Court Decision Number 4950 K/Pid.Sus/2023. The method used in this research is normative juridical, using statutory, conceptual, and case study approaches. This study explains that although regulations regarding beneficial ownership exist, their implementation is still not fully implemented, primarily due to low awareness of reporting compliance and the continued prevalence of nominee practices. Based on existing decisions, the Supreme Court outlines a more progressive approach by applying the "piercing the corporate veil" doctrine to hold beneficial owners criminally liable, even if they are not listed in the company structure. This shifts from a normative approach to the application of substantive law. Therefore, there is a need for strengthening regulations, increasing oversight, and ensuring data integrity between institutions so that transparency and accountability of beneficial owners can truly be realized and are no longer exploited as loopholes for corruption.

**Keywords:** beneficial owner; corporate corruption; criminal liability; nominee agreement; piercing the corporate veil.

## 1. INTRODUCTION

Corporate crime increasingly relies on complex corporate structures to conceal the identity of controlling parties, particularly through nominee arrangements, shell entities, and layered ownership chains (Acosta, 2026). These mechanisms allow individuals to distance themselves from formal ownership while still exercising effective control over corporate activities. In this context, the concept of beneficial ownership becomes crucial, as it refers to the individuals who ultimately own, control, or benefit from a corporation, regardless of whose name appears in official records. However, in practice, identifying beneficial owners remains highly challenging due to the legal separation between entities, jurisdictional fragmentation, and limitations in accessing reliable evidence (Sunanda, 2024).

The difficulty is further compounded by the strategic use of intermediaries, offshore jurisdictions, and nominee shareholders, which obscure the true chain of control. As a result, corporate structures can be deliberately designed to create opacity, making it difficult for regulators and law enforcement agencies to trace accountability. This creates a significant enforcement gap, particularly in cases involving financial crimes, corruption, and money laundering, where identifying the ultimate controlling party is essential for effective prosecution. Without clear identification of beneficial owners, legal responsibility often remains limited to formal directors or registered shareholders, who may act merely as proxies.

Despite the growing global emphasis on beneficial ownership transparency, including regulatory initiatives and reporting requirements, there remains a significant gap in how courts substantively identify and hold beneficial owners accountable. In many jurisdictions, including emerging legal systems, judicial practice tends to prioritize formal corporate documentation over substantive analysis of control. Courts often rely on legally recognized ownership structures, such as share registries and corporate filings, without sufficiently examining who actually exercises decision-making power within the company. This formalistic approach allows the real controlling parties to evade liability by hiding behind layers of legal entities (Topan, 2019).

The doctrine of piercing the corporate veil offers a potential legal mechanism to address this issue by allowing courts to disregard the separate legal personality of a corporation in cases of abuse, fraud, or injustice. In theory, this doctrine enables judges to look beyond formal ownership and identify individuals who misuse corporate structures for unlawful purposes. However, in practice, its application remains limited and inconsistent, particularly in cases involving complex ownership arrangements. Courts may be reluctant to apply the doctrine due to concerns about legal certainty, evidentiary standards, and the potential impact on legitimate business activities.

The lack of clear guidelines and jurisprudential consistency further complicates the use of this doctrine in identifying beneficial owners. Judges often face challenges in determining the threshold for “control” and in distinguishing between legitimate corporate structuring and intentional concealment. As a result, even when there are indications of hidden control, courts may refrain from extending liability beyond formally recognized parties. This creates a legal environment where sophisticated actors can exploit structural loopholes with relatively low risk of accountability.

While beneficial ownership transparency has gained recognition as a critical component of modern corporate governance and financial regulation, its effective enforcement depends heavily on judicial interpretation and application. Strengthening the ability of courts to adopt a more substantive approach focusing on actual control rather than formal ownership is essential to closing this gap. In this regard, further research is needed to examine how legal doctrines, evidentiary standards, and judicial reasoning can be developed to better identify and hold beneficial owners accountable in complex corporate crime cases.

This study specifically focuses on the judicial application of the piercing the corporate veil doctrine in Supreme Court Decision Number 4950 K/Pid.Sus/2023, emphasizing how judges move beyond formal corporate structures to identify actual controlling parties. This focus highlights the novelty of the study, which lies in examining judicial reasoning as a means of strengthening the accountability of beneficial owners within corporate crime.

Legally, Indonesia has mandated the identification of beneficial owners through Presidential Regulation No. 13 of 2018, further supported by Minister of Law Regulation No. 2 of 2025, which aims to ensure transparency and accuracy of beneficial ownership data through verification mechanisms. Nevertheless, in practice, nominee arrangements are still frequently used to separate legal ownership from actual control, allowing beneficial owners to remain hidden behind formal corporate structures (Widjaja, 2008). As a result, the criminal liability of beneficial owners continues to face doctrinal ambiguity and inconsistent judicial interpretation.

The aim of this study to analyze the legal implications of nominee arrangements as a form of legal evasion, and the role of collaborative verification systems in enhancing beneficial ownership transparency also evaluate the application of the beneficial owner principle in Supreme Court Judgment No. 4950 K/Pid.Sus/2023 as a reference for strengthening the accountability of shadow controllers in corporate crime.

## **2. RESEARCH METHOD**

This study employs a normative legal methodology with a descriptive-analytical approach, focusing on the examination of legal norms, doctrines, and court decisions. The data used consists of secondary data obtained through a literature review, including primary, secondary, and tertiary legal materials. Primary materials include Law No. 8 of 2010, Presidential Regulation No. 13 of 2018, Minister of Law Regulation No. 2 of 2025, Supreme Court Regulation No. 3 of 2025, and Supreme Court Judgment No. 4950 K/Pid.Sus/2023, while secondary materials consist of books, journal articles, and policy reports.

Data collection was conducted through literature review by tracing legislation, examining court decisions as the main focus, and reviewing relevant legal literature. This study applies legislative, case-based, and conceptual approaches. The legislative approach analyzes regulations on beneficial ownership, the case-based approach examines judicial reasoning in determining the Ultimate Beneficial Owner in the Surya Darmadi case, and the conceptual approach explores the doctrines of piercing the corporate veil and alter ego theory.

Data analysis was carried out qualitatively using systematic and teleological interpretation to assess judicial reasoning in relation to legal norms and the purpose of the law. Primary legal materials were prioritized, supported by secondary and tertiary sources. Doctrinal conclusions were derived by identifying patterns in judicial reasoning and linking them with relevant legal doctrines to evaluate the development of corporate criminal liability in Indonesia.

## **3. RESULT AND DISCUSSION**

### **3.1. The Legal Status of Nominee Agreements and the Urgency of Beneficial Ownership Transparency in Addressing Corporate Law Loopholes in Indonesia**

Regulations concerning beneficial owners in Indonesia were established in response to the urgent need to ensure corporate transparency and prevent the misuse of legal entities as instruments for economic crimes. Historically and legally, the foundation for this obligation originates from Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering, which mandates the identification of the actual users or beneficiaries of financial services. Recognizing that risks of concealment extend beyond the financial sector, the Government subsequently issued Presidential Regulation No. 13 of 2018 on the Application of the Know Your Beneficial Owner Principle for Corporations. This regulation broadened the scope of transparency obligations to all corporate entities, requiring them to disclose individuals who ultimately control or benefit from corporate activities. More recently, these provisions have been reinforced through Minister of Law Regulation No. 2 of 2025, which introduces a more collaborative and integrated verification mechanism involving multiple institutions to enhance the accuracy, reliability, and accessibility of beneficial ownership data.

However, despite the existence of these legal instruments, law enforcement still encounters significant challenges in practice. One of the most persistent issues is the widespread use of nominee

agreements, commonly referred to as “borrowing of names,” which are deliberately structured to obscure the identity of the true controlling party. In such arrangements, the registered owner (legal owner) is formally listed in corporate documents, while the actual controller (beneficial owner) remains hidden behind contractual arrangements. From a civil law perspective, nominee agreements may be categorized as contracts with an unlawful cause, as they contradict the requirement of a lawful *causa* under Article 1320 of the Civil Code. Consequently, these practices not only undermine transparency efforts but also create legal uncertainty and complicate the enforcement of accountability against the true beneficiaries of corporate activities.

In line with these statutory provisions, the Supreme Court’s case law has also consistently held that the practice of nominee arrangements constitutes a concrete form of legal evasion that does not merit legal protection. This indicates that the legal system substantively rejects the misuse of corporate structures to conceal actual control. This judicial principle provides a solid foundation for law enforcement to implement the doctrine of piercing the corporate veil, so that beneficial owners hiding behind nominee structures can be identified and held accountable. However, efforts to pierce the corporate veil are still hampered at the compliance level. Although the Ministry of Law and Human Rights has incorporated Beneficial Owner reporting into the BO (Beneficial Ownership) Application to build a national database, the level of compliance among corporate entities in reporting this data remains very low. As of 14 October 2025, only approximately 51.7% of registered corporations have complied with their beneficial ownership reporting obligations. This demonstrates that administrative mechanisms alone are insufficient to identify beneficial owners, thereby requiring a more substantive legal approach through judicial interpretation. This situation reflects the continued weakness of the national database, which, in turn, cannot yet be fully relied upon by law enforcement agencies to identify control and ownership relationships through administrative means alone.

### **3.2. The Application of the Beneficial Owner Concept in a Case Study of Supreme Court Judgment No. 4950 K/Pid.Sus/2023**

This case concerns the exploitation of 37,095 hectares of illegal oil palm plantations in the forests of Riau by five companies under the Duta Palma Group without a forest area release permit or a valid business licence or environmental permit. Surya Darmadi was identified as the central controlling figure who exercised actual control over the corporate group, despite the use of formally separate legal entities.

Formally, operations are carried out by subsidiary entities, but in substance, all strategic control and the enjoyment of economic benefits lie in the hands of Surya Darmadi as the Ultimate Beneficial Owner (UBO). At the first instance (Judgment No. 62/Pid.Sus-TPK/2022/PN Jkt.Pst), Surya Darmadi was previously sentenced to 15 years’ imprisonment.

This sentence was increased by the Supreme Court on appeal, through Judgment No. 4950 K/Pid.Sus/2023, to 16 years’ imprisonment and a fine of Rp1 billion. The Supreme Court, at the cassation stage, sentenced Surya Darmadi to 16 years’ imprisonment and ordered him to pay compensation of Rp2,238,274,248,234.00, or Rp2.2 trillion, for the state losses incurred by the defendant. The defendant’s application for a Review (PK) via Judgment No. 1277 PK/Pid.Sus/2024 has been rejected, thereby rendering the verdict final and binding. The defendant’s application for a Review (PK) was also rejected by Judgment No. 1277 PK/Pid.Sus/2024 dated 19 September 2024. This case provides a very clear illustration of how the concept of beneficial ownership is applied in complex criminal proceedings.

#### **3.2.1. Judicial Identification of Beneficial Owner**

This section analyses the application of the doctrine of *piercing the corporate veil* in Supreme Court Judgment No. 4950 K/Pid.Sus/2023, with particular emphasis on how the judges identified the *beneficial owner*. The discussion is structured into three main aspects: (1) the judicial reasoning in determining beneficial ownership, (2) the application of corporate liability doctrines, and (3) the legal implications for corporate criminal accountability. Surya Darmadi was identified as the Ultimate Beneficial Owner based on his control over strategic decisions and financial flows within the corporate group. This identification is consistent with the criteria of beneficial ownership under Presidential Regulation No. 13 of 2018,

particularly regarding control and economic benefit. This demonstrates that the separation between the legal entity and its controller was disregarded in practice, as the corporation functioned under the direct influence of the beneficial owner. The panel of judges successfully penetrated the multi-layered nominee structure and identified the true economic beneficiary, reflecting a progressive application of the law in practice. This indicates that the court adopted a substantive approach by prioritize actual control over formal ownership structures. Supreme Court Judgment No. 4950 K/Pid.Sus/2023 represents a significant step forward compared to previous cases, as the judges explicitly used the term ‘beneficial owner’ in their reasoning.

The court found that Surya Darmadi acted as the de facto controller who used corporate entities as instruments to commit unlawful acts. This finding confirms that liability was attributed based on actual control rather than formal corporate position. From the perspective of corporate criminal law, this fulfils the element of benefiting oneself or a corporation, resulting in state losses.

The evidence showed that corporate actions were carried out under the direction of Surya Darmadi, thereby preventing the application of limited liability. This demonstrates that the corporation was misused as a vehicle to facilitate unlawful conduct, including corruption and money laundering.

This case also highlights the importance of integrating beneficial ownership data across institutions to support asset tracing. This is in line with the issuance of Supreme Court Regulation (PERMA) No. 3 of 2025, which extends criminal liability to beneficial owners in cases of corporate criminal offences. This regulation confirms that beneficial owners can be held liable even if they are not formally part of the corporate structure. This latest judicial policy reaffirms that fines must be paid and cannot be substituted with imprisonment, and that liability remains even if the corporation goes bankrupt or is dissolved. This indicates that the Supreme Court now consistently recognises the crucial role of beneficial owners as subjects of legal liability in the interests of substantive justice.

### **3.2.2. Application of Piercing the Corporate Veil and Alter Ego Theory**

In classical company law, the principle of limited liability separates the owners’ personal assets from the company’s assets. However, the doctrine of piercing the corporate veil allows the courts to set aside this separation if the corporation is used for injustice or fraud (Herdian & Sumiyati, 2021). In the Duta Palma Group case, the Supreme Court applied this doctrine by holding Surya Darmadi personally liable for offences committed through his business entities. This indicates that the court prioritised substantive control over formal corporate structure in determining liability. This approach is closely aligned with the alter ego theory, where the corporation is treated as an extension of its controlling individual. The case demonstrates that the corporate entities did not operate independently, but were subject to centralised control. The court emphasised that limiting liability to the corporation or its formal directors would be insufficient to address the underlying wrongdoing. By piercing the corporate veil, the law can reach the mastermind behind the crime and thereby achieve substantive justice. This reflects a shift toward a more functional approach in corporate criminal liability, where accountability is based on actual control and intent rather than formal legal status.

### **3.2.3. Corporate Structure and Money Laundering Scheme Analysis**

The money laundering scheme in the Surya Darmadi case demonstrates a sophisticated modus operandi, utilising a cross-border corporate group structure to disguise the origin of illegal funds through layering and integrating them into assets that appear legitimate (Sandi et al., 2024). Analysis of the flow of funds reveals that profits from illegal oil palm plantations in Riau were not retained within the operational subsidiaries, but were instead distributed via a complex internal mechanism. This flow of funds originated from five illegal plantation companies that deposited their profits into PT Darmex Plantations, acting as the plantation holding company (Kejaksaan Agung Republik Indonesia, 2024). Thereafter, the funds were transferred to PT Asset Pacific, which served as the property holding company. The use of this property holding company was highly strategic, as it enabled the defendant to make substantial investments in high-value immovable assets that are difficult to seize without clear evidence of the flow of funds.

The scheme follows the general stages of placement, layering, and integration, in which funds are circulated and transformed into assets that appear legitimate. The investigators' success in seizing cash worth more than Rp 800 billion from offices managed by PT Asset Pacific serves as crucial evidence that the company was merely a conduit for illegal profits. This scheme demonstrates that the UBO no longer holds his assets in his own name, but channels them through other legal entities to evade detection by law enforcement and tax authorities.

#### **3.2.4. Limitation of Judicial Approach: Economic Loss Debate**

One of the most hotly debated aspects of Cassation Judgment No. 4950 K/Pid.Sus/2023 is the Supreme Court panel's decision to set aside the additional penalty of Rp 39.7 trillion in compensation for economic losses to the state. Previously, the trial and appeal courts had recognised this substantial sum based on calculations by economic and forestry experts, which also included environmental restoration costs. The Supreme Court Justices' rejection was based on a formal interpretation of Constitutional Court Ruling No. 25/PUU/XIV/2016, which removed the word 'may' from Articles 2 and 3 of the Corruption Eradication Act. Consequently, state losses must be actual and certain (actual loss) (Indonesia Corruption Watch, 2024). The Supreme Court Justice held that assessments of future ecological damage and social costs are predictive or 'potential' in nature, and therefore do not meet the standards of proof required under criminal corruption law, which prioritises certainty. The Justice also suggested that claims regarding environmental damage should be resolved through civil litigation or specific environmental legal instruments such as the Environmental Protection and Management Act (UU PPLH). This judicial view has attracted considerable criticism when compared with the theory of the Social Cost of Corruption developed by legal economists such as Rimawan Pradiptyo. This theory states that corruption, particularly in the natural resources sector, imposes a significant burden of negative externalities on society and the state, which cannot be measured solely by the loss to the state budget (Pratama, 2023).

Limiting losses to financial metrics risks underestimating the full impact of corruption, particularly in the natural resources sector where environmental and social damages are significant. This demonstrates that a purely formal approach may weaken the deterrent effect of criminal law, as the legal consequences do not fully reflect the scale of harm caused.

In an attempt to avoid criminal prosecution, the defendant, Surya Darmadi, argued that the case should have been resolved through administrative mechanisms as provided for in Articles 110A and 110B of Law No. 11 of 2020 on Job Creation (which was subsequently amended to Law No. 6 of 2023). These articles provide an opportunity for the 'regularisation' of business activities already established in forest areas by merely paying an administrative fine which, according to the defendant, reflects the principle of *ultimum remedium* (criminal law as a last resort). However, the court has consistently rejected the relevance of this argument in the context of criminal corruption offences.

This rejection underscores that the principle of *ultimum remedium* must not be misused to grant impunity to tycoons who knowingly break the law for economic gain. Supreme Court Judgment No. 4950 K/Pid.Sus/2023 serves as a warning to business operators that administrative compliance today will not erase the criminal record of past corruption.

### **3.3. Legal Implications and Strategies for Strengthening Beneficial Owners' Accountability in Corporations**

The beneficial ownership principle has significant legal implications for the enforcement of corporate law in Indonesia. Beneficial owners may be held legally responsible for corporate actions based on their actual control over the corporation. The application of this principle enables law enforcement agencies to tackle offences such as money laundering and corruption more effectively and can serve as a vital instrument in strengthening corporate accountability (Rodliyah et al., 2021). However, its implementation remains challenging due to complex corporate ownership structures that obscure actual control. Furthermore, ambiguities in the definitions within the regulations, including Law No. 8 of 2010, are often exploited to avoid legal sanctions (Pardede, 2020). On the other hand, many corporations use nominee structures or name-lending agreements to separate administrative ownership from actual control.

Therefore, strategies to strengthen accountability must prioritise transparency and openness regarding ownership information. Such efforts are essential to close legal loopholes that could be exploited to conceal assets or evade criminal liability.

The role of the notary is crucial in ensuring that the legal liability of beneficial owners can be enforced. The notary acts as a gatekeeper, verifying that the beneficial owner's details are valid and accurate, thereby minimising the misuse of legal entities (Maulidah, 2024). Although the work of a notary involves an element of confidentiality, the obligation to ensure transparency must still be upheld. The fulfilment of this role strengthens the position of legal authorities in holding beneficial owners to account. This directly enhances the effectiveness of the doctrine of piercing the corporate veil. Regulatory reform is also a key strategy for strengthening the accountability of beneficial owners. Presidential Regulation No. 13 of 2018 emphasises the obligation of corporations to disclose beneficial owners as a preventive measure against criminal offences. However, the current sanctions remain limited, so the deterrent effect is not yet optimal (Faradila & Kholim, 2024). Strengthening regulations must be accompanied by oversight mechanisms and inter-agency coordination. This approach promotes a shift in paradigm from a normative approach to one that is more practical, preventive and focused on legal certainty (Kabbes et al., 2024).

The implementation of the beneficial ownership principle also has a significant impact on a corporation's reputation and integrity in the eyes of the public and investors. Transparent corporations will build trust and attract market interest, whereas disregarding this principle can lead to legal risks and reputational damage (Jatmiko & Prananingtyas, 2023). Therefore, accountability strategies must simultaneously integrate legal compliance with reputation management. This approach reinforces the corporation's image as a socially and legally responsible entity. The integration of legal and reputational aspects forms the foundation for strengthening corporate governance as a whole. Internal oversight is another effective strategic instrument for upholding the beneficial ownership principle. Beneficial ownership audits and periodic reporting serve as mechanisms to prevent the concealment of ownership. Corporate Social Responsibility (CSR) can be used as an indicator of a corporation's commitment to transparency and accountability (Santoso, 2022). This strategy can essentially ensure legal compliance whilst also fostering sustainable business ethics. As such, strengthening internal mechanisms forms an integral part of good corporate governance.

Furthermore, building the capacity of law enforcement agencies is a strategic step, as they must understand the methods for identifying beneficial owners and the mechanisms for proving involvement in corporate criminal offences (Jiwanti, 2023). This ensures that litigation proceedings are conducted effectively and fairly. Furthermore, with a sufficient understanding of the law, law enforcement agencies can consistently take action against beneficial owners who break the law and close legal loopholes that are often exploited to evade accountability. Furthermore, the continuous evaluation and development of the legal framework is also a crucial aspect, as it allows for the assessment of the effectiveness of existing regulations and enables the adjustment of law enforcement strategies so that the beneficial ownership principle is not merely normative but is also applied in practice (Wijaya et al., 2021). Therefore, the interconnection between regulation, supervision, and the education of law enforcement officials can strengthen corporate accountability. Whereby, continuous legal reform can ensure that beneficial owners can be identified and held strictly accountable, thereby forming a solid foundation for strengthening corporate governance and accountability in Indonesia.

The Surya Darmadi case illustrates the practical application of beneficial ownership accountability. An organisational culture that tolerates bribery and the manipulation of licensing data has triggered reputational and financial damage to the corporation. The integration of beneficial owner data through the Beneficial Ownership Gateway, which links the Ministry of Law and Human Rights, the Directorate General of Taxes, and the Financial Transaction Reports and Analysis Centre (PPATK), is expected to restrict the manoeuvring room of beneficial owners seeking to hide behind nominee structures. The issuance of PERMA No. 3 of 2025 clarifies that corporate criminal fines must be paid and cannot be substituted for imprisonment, even if the corporation is dissolved or goes into liquidation. The judges' boldness in increasing prison sentences for beneficial owners demonstrates the readiness of the Indonesian judicial system to address the complexities of modern corporate crime. Thus, the principle of beneficial

ownership serves as a solid foundation for strengthening corporate governance and accountability in Indonesia, whilst providing concrete guidance for law enforcement agencies and companies in the practice of modern corporate law.

#### **4. CONCLUSION**

Supreme Court Judgment No. 4950 K/Pid.Sus/2023 demonstrates a notable judicial development in addressing corporate crime by moving beyond formalistic interpretations of corporate structure. In this case, the judges made a significant breakthrough by effectively piercing the corporate veil to hold Surya Darmadi liable as the beneficial owner. His guilt was legally established based on his role as the ultimate and absolute controller who directed five companies under the Duta Palma Group to operate unlawfully within forest areas, resulting in substantial material gains amounting to Rp2.238.274.248.234. This finding illustrates that control and benefit, rather than formal ownership, were central to determining liability.

The court explicitly applied the doctrine of piercing the corporate veil by setting aside the traditional principle of separate legal entity, which ordinarily shields shareholders and controllers from personal liability. Instead, the judges focused on the substantive reality of corporate control, identifying the individual who actually exercised decision-making authority and benefited from the illegal activities. This approach represents a shift toward a more substantive interpretation of corporate responsibility, where legal accountability is no longer confined to those formally listed in corporate documents.

Importantly, the ruling reinforces the principle that ownership of benefits should not be assessed solely from an administrative or formal perspective, such as shareholder registers or corporate filings. Rather, courts must examine who truly controls corporate policies, directs operations, and ultimately receives the economic benefits derived from business activities. By adopting this perspective, the judiciary acknowledges the complexity of modern corporate structures, where legal ownership and actual control are often deliberately separated to obscure responsibility.

This decision also highlights the strategic importance of beneficial ownership transparency as a legal and regulatory tool. By identifying and holding the true controlling party accountable, the court effectively closes gaps that are frequently exploited in corporate corruption schemes. It sends a strong signal that the misuse of layered corporate structures and nominee arrangements will not automatically shield individuals from liability if substantive control and benefit can be proven.

Furthermore, the judgment sets a valuable precedent for future cases, encouraging a more progressive and investigative judicial approach in dealing with complex corporate crimes. It demonstrates that courts can play an active role in bridging the gap between legal form and economic reality. Ultimately, the application of this principle strengthens the enforcement of corporate accountability, ensuring that criminal liability is directed toward those who are substantively responsible, rather than those who merely appear on paper as formal representatives.

#### **Ethical Approval**

This study did not require ethical approval because it is based exclusively on published literature and did not involve human participants, animals, or identifiable personal data.

#### **Informed Consent Statement**

Not applicable because this study is a systematic literature review and did not involve direct data collection from participants.

### **Authors' Contributions**

WZ and ARK contributed to conceptualization. CDS and FAP contributed to methodology. NI and RD contributed to formal analysis. SRP contributed to writing – original draft preparation. WZ contributed to writing – review and editing.

### **Disclosure Statement**

No potential conflict of interest was reported by the authors.

### **Data Availability Statement**

No new data were created or analyzed in this study. All arguments and interpretations are based on published sources cited in the reference list.

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### **Notes on Contributors**

#### **Wawan Zulmawan**

<https://orcid.org/0009-0006-8366-4014>

Wawan Zulmawan is affiliated with Faculty of Law, University of Pelita Harapan.

#### **Ashila Raisya Khaliza**

Ashila Raisya Khaliza is affiliated with Faculty of Law, University of Pelita Harapan.

#### **Christabel Daniella Suhendra**

Christabel Daniella Suhendra is affiliated with Faculty of Law, University of Pelita Harapan.

#### **Fisa Ande' Pongsirinding**

Fisa Ande' Pongsirinding is affiliated with Faculty of Law, University of Pelita Harapan.

#### **Naomi Inly**

Naomi Inly is affiliated with Faculty of Law, University of Pelita Harapan.

#### **Russell Dante**

Russell Dante is affiliated with Faculty of Law, University of Pelita Harapan.

#### **Serlita Ruben Pendang**

Serlita Ruben Pendang is affiliated with Faculty of Law, University of Pelita Harapan.

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