

Integration of Banking Law Competencies and Fraud Law Enforcement in the Development of the Law Study Program

Original Article

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Abstract

The development of the banking industry and the increasing complexity of financial crimes have created new challenges for legal education institutions in preparing graduates who are competent and adaptive to labor market needs. This article aims to analyze the importance of integrating banking law competencies and fraud law enforcement in the development of the Law Study Program. This study uses a normative juridical method with statutory, conceptual, and analytical approaches supported by literature studies and recent academic literature and official regulatory documents. The results show that criminal acts of fraud in the banking sector, particularly those involving directors and internal banking actors, require legal professionals with comprehensive understanding of banking regulations, corporate governance, compliance systems, financial crime investigation, and law enforcement mechanisms. Therefore, legal education institutions are required to reformulate their curricula to align with the dynamics of the banking sector and the digital financial ecosystem. The integration of banking law competencies and fraud law enforcement can be carried out through curriculum strengthening, case-based learning, professional certification, internship programs at banking institutions, and cooperation with financial sector regulatory authorities. This integration is expected to improve graduate competitiveness, strengthen professional legal competencies, and contribute to the prevention and enforcement of law against banking crimes in Indonesia.

Keywords: Banking Law, Curriculum Development, Fraud Law Enforcement, Graduate Competitiveness, Legal Education.

1. Introduction

The banking sector is one of the strategic pillars in supporting national economic development and maintaining financial system stability. Banking institutions not only function as financial intermediaries, but also as instruments for facilitating investment, digital transaction services, and economic circulation. Along with the rapid development of digital banking systems, financial technology integration, and electronic transaction mechanisms, the banking industry has undergone significant transformation in recent years. However, these developments have simultaneously increased legal risks related to banking fraud, cybercrime, abuse of authority, and violations of banking regulations.

Banking fraud has become one of the most serious legal and governance challenges in modern financial institutions. Fraudulent acts can occur in various forms, including fictitious credit schemes, embezzlement of funds, manipulation of financial reports, unauthorized transactions, money laundering, cybercrime, and abuse of authority carried out by directors and internal banking employees (Esliani & Irwansyah, 2025). Akram and Kurniawan (2024) state that internal banking fraud remains difficult to eradicate because perpetrators frequently



exploit weaknesses in internal supervision and institutional compliance systems. This condition shows that banking fraud is not only a technical violation, but also reflects broader institutional governance and law enforcement problems.

The complexity of banking fraud continues to increase along with technological advances and digital transformation in the financial sector. Mobile banking systems, internet banking services, and artificial intelligence-based financial technology have improved the efficiency of banking services, but on the other hand have also opened opportunities for increasingly sophisticated cybercrime and digital manipulation. Siregar (2025) asserts that the protection of mobile banking customers requires integrated legal protection mechanisms involving banking institutions, regulators, and law enforcement agencies. This shows that legal protection in the banking sector cannot rely solely on conventional legal mechanisms, but must adapt to technological developments and digital transaction systems.

Furthermore, digital fraud now increasingly involves sophisticated technological methods such as deepfake technology, identity manipulation, and cyber infiltration (Tiastuti et al., 2025). Gunawan and Janisriwati (2023) argue that deepfake technology poses serious threats to Indonesian banking institutions because existing legal frameworks are not fully capable of responding to technologically advanced financial crimes. The emergence of these technological risks shows that legal professionals in the banking sector must possess competencies that are not limited to conventional legal knowledge, but also encompass cyber law, digital evidence analysis, and financial technology regulation.

In the context of law enforcement, banking fraud cases often involve multidimensional legal issues that require specialized expertise. Legal practitioners handling banking disputes must understand banking regulations, corporate criminal liability, anti-money laundering systems, compliance mechanisms, and financial investigations. Retnowati (2022) explains that fraud in banking activities frequently arises from weak implementation of prudential principles and insufficient internal control systems. This perspective affirms that effective law enforcement against banking fraud requires preventive and repressive approaches supported by strong institutional governance.

The urgency of strengthening banking law competencies is increasingly relevant as the demand for legal professionals in the financial services sector grows. Banking institutions currently need legal professionals capable of conducting compliance analysis, legal due diligence, risk mitigation, dispute resolution, and fraud investigation. Amelia and Prasetyo (2025) note that the consistent application of prudential banking principles and Good Corporate Governance is essential to prevent fraud and maintain institutional integrity within banking organizations. This finding affirms the importance of integrating governance and compliance aspects into legal education systems.

However, despite the increasing complexity of banking law and fraud issues, many Law Study Programs still emphasize doctrinal and theoretical legal education, with limited exposure to practical experience in banking and financial law. As a result, law graduates often experience competency gaps when entering the workforce, which demands expertise in banking compliance, fraud prevention, and financial dispute resolution. This misalignment between higher education outcomes and labor market needs is an important issue in legal education reform.

Graduate competitiveness has increasingly become an important indicator of higher education quality. Universities are required to produce graduates who are adaptive, competitive, and responsive to industry transformation. In the banking sector, employers increasingly prioritize graduates with competencies in banking law, financial governance, cyber law, and fraud prevention mechanisms. Sihombing and Nuraeni (2019) state that Good

Corporate Governance and banking supervision systems play a central role in minimizing criminal acts within banking institutions. Therefore, Law Study Programs need to strengthen curricula that encompass banking governance, compliance systems, and fraud law enforcement.

The integration of banking law competencies in legal education is also closely related to the development of the digital financial ecosystem. Artificial intelligence technology, machine learning, and automated transaction systems are increasingly being used to detect fraud and manage risk. George et al. (2023) explain that machine learning technologies are becoming essential tools for detecting suspicious financial transactions and minimizing fraud risks in digital banking systems. However, the use of artificial intelligence-based technology also raises legal issues related to accountability, personal data protection, algorithmic bias, and cybersecurity governance.

In addition, the increasing number of cross-border financial crimes and global digital fraud demands strengthened legal competencies in the banking sector. Cioffi and Zatserkovnyi (2026) reports that digital manipulation and online financial scams have become emerging legal risks for financial institutions worldwide. This global trend shows that banking law enforcement increasingly requires cross-disciplinary expertise that integrates legal reasoning, technology literacy, and financial governance knowledge.

Therefore, universities have a strategic responsibility to prepare prospective legal professionals who are capable of responding to these contemporary challenges. Law Study Programs need to reformulate their curricula and educational orientations to align with industry developments and societal needs. The integration of banking law competencies and fraud law enforcement can be carried out through curriculum strengthening, case-based learning, legal clinics, internship programs at banking institutions, and cooperation with financial regulators such as the Financial Services Authority (OJK) and Bank Indonesia.

From an academic perspective, curriculum integration between banking law and fraud law enforcement reflects the need for interdisciplinary legal education. Modern banking disputes cannot be resolved through traditional doctrinal approaches alone, as they involve technological, economic, managerial, and international dimensions. Therefore, legal education institutions need to develop adaptive learning models that emphasize practical competencies, digital literacy, and legal professional ethics.

Based on these conditions, the integration of banking law competencies and fraud law enforcement in the development of the Law Study Program is highly relevant and urgent. This integration is expected to improve graduate competitiveness, strengthen legal professionalism, support fraud prevention mechanisms, and contribute to the effectiveness of law enforcement in the banking sector. Most existing studies on banking fraud tend to focus either on regulatory and governance aspects within financial institutions, or on legal education reform in general, without specifically examining how the two fields can be integrated within the curriculum of the Law Study Program. This article seeks to fill that gap by positioning curriculum integration as a deliberate response to the multidimensional character of banking fraud, rather than treating banking law and legal education reform as separate areas of discussion.

This article specifically aims to analyze the urgency of integrating banking law competencies and fraud law enforcement into the curriculum of the Law Study Program, to identify the legal and institutional challenges faced by Law Study Programs in adapting their curricula to the demands of the banking sector, and to formulate strategic approaches for integrating banking law competencies and fraud law enforcement into legal education in Indonesia.

2. Methods

This study uses a normative juridical research method to analyze the integration of banking law competencies and fraud law enforcement in the development of the Law Study Program. Normative juridical research focuses on examining legal norms, legal principles, legislation, legal doctrines, and conceptual frameworks related to specific legal problems. This method was chosen because this study primarily analyzes legal regulations, theoretical perspectives, academic literature, and institutional policies related to banking law, fraud prevention, legal education, and curriculum development.

Based on the principles of IRAC-based legal research (Issue, Rule, Application, Conclusion), normative juridical research aims to identify the relationship between legal norms and their implementation in society and institutional systems. In this context, this study examines how legal education institutions can integrate banking law competencies and fraud law enforcement into curriculum development as a response to labor market needs and the increasing complexity of financial crimes in the banking sector. This study uses several approaches, namely the statutory approach, conceptual approach, analytical approach, and comparative approach.

2.1. Statutory Approach

The statutory approach is carried out through an examination of various laws and regulations governing banking activities, financial sector supervision, and fraud prevention mechanisms. The primary legal materials analyzed in this study include Law Number 10 of 1998 on Banking, Law Number 21 of 2011 on the Financial Services Authority (OJK), Law Number 8 of 2010 on the Prevention and Eradication of Money Laundering, Provisions of the Criminal Code (KUHP) related to fraud and embezzlement, Financial Services Authority Regulations on Anti-Fraud Strategies for Commercial Banks, Regulations related to digital banking systems and electronic financial transactions. This approach aims to identify the legal framework governing banking operations, corporate liability, prudential banking principles, compliance systems, and law enforcement mechanisms against banking fraud crimes.

2.2. Conceptual Approach

The conceptual approach is used to examine legal doctrines, academic theories, and scientific perspectives related to banking law, fraud law enforcement, legal education reform, and graduate competitiveness. This approach enables analysis of the relationship between legal competencies and curriculum development in the Law Study Program. Several theoretical concepts used in this study include theory of legal professionalism, Good Corporate Governance (GCG), prudential banking principles, compliance and risk management theory, modernization of legal education, outcome-based education, employability-based curriculum development. This approach is important for understanding how legal education institutions can adapt to industry transformation and technological developments in the banking sector.

2.3. Analytical Approach

The analytical approach is carried out by examining the relationship between contemporary banking fraud problems and the competencies required by graduates entering the financial services industry. This study analyzes how banking fraud cases involving directors, employees, and digital financial systems demonstrate the need for specific and targeted legal competencies. The analysis process also focuses on identifying the gap between existing legal education curricula and the practical competencies required by banking institutions. Through qualitative legal analysis, this study evaluates the relevance of the Law Study Program in preparing graduates to address the following issues including banking

compliance, fraud investigation, financial dispute resolution, anti-money laundering systems, cyber law, and digital banking governance.

2.4. Comparative Approach

The comparative approach is used to compare various academic perspectives, legal policies, and institutional practices related to banking legal education and fraud prevention strategies. This approach also examines international trends in banking governance, digital financial regulation, and anti-fraud mechanisms in higher education and financial institutions. Comparative analysis is conducted to identify best practices that can be adapted in the Law Study Program in Indonesia, particularly related to curriculum integration, clinical legal education, professional certification, internship programs, cooperation between universities and financial institutions.

2.5. Sources of Legal Materials

This study uses primary and secondary legal materials. Primary legal materials consist of binding legal instruments and official regulations related to banking law and fraud law enforcement, including laws, government regulations, OJK regulations, and other relevant legal provisions. Secondary legal materials include scientific journal articles, books, conference proceedings, research reports, academic publications, recent international studies related to banking fraud, financial governance, and financial crime.

2.6. Data Collection Technique

Data collection was carried out through library research. The researcher systematically collected and reviewed legal documents, scientific publications, regulatory frameworks, and academic literature relevant to the research topic. The library research method enables a comprehensive examination of theoretical and normative perspectives on banking law competencies and fraud law enforcement. The collected materials were then categorized based on thematic relevance, including banking regulations, fraud prevention, legal education reform, digital banking governance, compliance systems, and graduate competitiveness.

2.7. Data Analysis Technique

The collected legal materials were analyzed qualitatively using a descriptive-analytical technique. Qualitative analysis was used to interpret legal norms, academic arguments, and regulatory frameworks systematically and comprehensively. The analysis process was carried out through several stages: (1) identification and classification of legal materials, (2) interpretation of legal norms and doctrines, (3) analysis of the relationship between banking law and legal education, (4) evaluation of curriculum relevance to labor market needs, (5) formulation of recommendations related to curriculum integration and competency development.

This descriptive-analytical method enables the researcher to provide a systematic explanation of the urgency of integrating banking law competencies and fraud law enforcement in the Law Study Program. This study aims to formulate academic and legal recommendations that can be used in curriculum reform, in order to improve graduate competitiveness, strengthen professional legal competencies, and support efforts to prevent and enforce law against banking crimes.

3. Results and Discussion

3.1. Banking Fraud as a Contemporary Legal Challenge in the Financial Sector

The rapid transformation of the banking industry has significantly affected the complexity of legal problems faced by financial institutions. Along with the expansion of digital banking systems, electronic transactions, and financial technology integration, banking institutions have become increasingly vulnerable to various forms of fraud and financial crime. Banking fraud today is no longer limited to conventional crimes such as embezzlement or fictitious credit schemes, but has evolved into more sophisticated digital and corporate criminal activities involving technological manipulation, cyber infiltration, and abuse of institutional authority.

Fraud in banking institutions generally refers to unlawful acts carried out intentionally to obtain financial or economic gain through deception, manipulation, or abuse of trust. These activities may involve directors, commissioners, employees, customers, or external parties collaborating with internal bank actors. Ardiansyah et al. (2021) explain that fraud in banking activities often occurs through systematic manipulation involving weaknesses in supervision, verification systems, and institutional accountability mechanisms. This shows that banking fraud is closely related to governance failures and weak internal control systems.

The increasing number of fraud cases involving directors and internal banking management raises concerns about the effectiveness of governance and law enforcement. Directors hold strategic authority in decision-making, financial management, and institutional supervision, so abuse of authority by directors can cause significant financial losses and institutional instability. In many cases, fraud by directors includes fictitious loans, unauthorized asset transfers, manipulation of financial reports, and collusion with external parties.

Retnowati (2022) affirms that weak implementation of prudential principles and ineffective supervision mechanisms contribute significantly to the emergence of banking fraud. Prudential banking principles are a fundamental legal doctrine that requires banks to operate carefully, transparently, and responsibly in order to maintain public trust and financial system stability. Failure to apply these principles opens opportunities for fraud and abuse of authority.

In addition to internal fraud, digital banking systems have also given rise to new forms of crime that require more complex legal responses. Crimes such as cyber fraud, phishing, identity theft, illegal access to customer data, and digital manipulation have become serious threats to banking system security. Siregar (2025) argues that digital banking transactions create vulnerabilities that require stronger legal protection and integrated supervisory mechanisms. This shows that banking law enforcement must evolve alongside technological advances.

The emergence of artificial intelligence and automated systems in banking also creates new legal challenges. AI-based systems are used to manage transactions, assess financial risks, and detect suspicious activities. However, this technology can also be misused for criminal purposes such as algorithmic manipulation, identity forgery, and deepfake-based fraud. Gunawan and Janisriwati (2023) state that deepfake technology represents an emerging legal threat capable of undermining banking credibility and institutional trust. This shows that banking law practitioners need to possess interdisciplinary competencies encompassing banking law, cyber law, digital evidence analysis, and information technology governance.

Furthermore, the globalization of financial systems reinforces the emergence of cross-border crime. International transactions, digital currencies, and global financial networks complicate law enforcement due to differences in jurisdiction and regulatory systems. Cioffi and Zatserkovniy (2026) reports that online financial scams and sophisticated digital fraud schemes have become emerging global risks for financial institutions. Therefore, banking law enforcement requires international cooperation and harmonization of financial regulations.

This complexity also reveals the limitations of law enforcement agencies, particularly in terms of technical capacity, digital forensics, inter-agency coordination, and understanding of modern financial systems. Akram and Kurniawan (2024) state that law enforcement against internal banking fraud remains constrained by institutional limitations and the sophistication of financial crime mechanisms. Therefore, strengthening legal education and professional competencies has become an urgent need.

From a sociological perspective, banking fraud not only causes economic losses but also erodes public trust in the financial system. Public trust is the main foundation of the banking system, so fraud scandals can have systemic impacts on national economic stability. In this context, legal education institutions have a strategic responsibility to prepare legal professionals capable of addressing these challenges through the integration of practical competencies, banking governance, fraud prevention, and financial investigation into legal education curricula.

3.2. The Importance of Integrating Banking Law Competencies in the Law Study Program

The transformation of the banking industry and the increasing complexity of financial crimes have changed labor market expectations for law graduates. Banking institutions no longer only need graduates with general legal knowledge, but also professionals who understand banking regulations, corporate governance, compliance systems, financial investigation, and digital governance.

The Law Study Program faces pressure to reformulate its curriculum. The traditional doctrinal-dominant model of legal education is no longer sufficient to meet the needs of the modern industry. Legal professionals today must possess multidisciplinary competencies that integrate legal reasoning, technology literacy, governance understanding, and professional ethics.

Graduate competitiveness has become an important indicator of higher education quality. Universities are required to produce graduates who are adaptive, competitive, and ready to face industry transformation. In the banking sector, competitiveness is closely related to practical capabilities in financial operations, dispute resolution, fraud prevention, and regulatory compliance.

Amelia and Prasetyo (2025) explain that the implementation of prudential banking principles and Good Corporate Governance is essential for maintaining institutional integrity and preventing fraud within banking organizations. This shows that legal professionals must understand not only legal theory, but also institutional governance systems.

The integration of banking law competencies provides several strategic advantages. First, it improves graduate competitiveness in the labor market by providing specialization in banking and finance. Second, it strengthens the practical orientation of legal education by reducing the gap between academia and the workforce. Third, it strengthens professionalism and ethical integrity in fraud prevention.

Sihombing and Nuraeni (2019) state that banking supervision systems and Good Corporate Governance play central roles in minimizing criminal acts within banking

institutions. Therefore, legal education needs to emphasize preventive approaches in addition to repressive approaches.

This integration also reflects the need for interdisciplinary legal education. Banking disputes involve not only legal aspects, but also economic, technological, and managerial dimensions. In addition, technological developments such as AI, electronic contracts, and data security demand digital literacy in legal education. George et al. (2023) state that machine learning technologies are increasingly utilized to identify suspicious financial transactions and improve fraud detection mechanisms.

Universities also have a strategic role in supporting national economic development. Effective law enforcement in the banking sector helps maintain financial stability and public trust. In addition, industry needs-based curriculum integration can improve the accreditation and competitiveness of higher education institutions.

3.3. Curriculum Reform and Competency Development Strategies

The integration of banking law competencies and fraud law enforcement requires comprehensive curriculum reform based on outcome-based education. Reform involves not only the addition of courses, but also changes in learning methods, evaluation systems, and institutional cooperation. Strengthening banking law courses is the main strategy, encompassing prudential principles, financial supervision systems, anti-money laundering law, digital banking regulation, consumer protection, banking dispute resolution, corporate criminal liability, and cyber law. Case-based learning is also important for improving students' analytical abilities through real case studies, trial simulations, and legal clinics. Clinical legal education can provide direct experience in handling fraud cases under academic supervision.

In addition, cooperation between universities and banking institutions is key to curriculum implementation. Partnerships with banks, OJK, Bank Indonesia, anti-corruption institutions, and law firms can support internship programs, professional certification, guest lectures, and collaborative research. Strengthening digital literacy also becomes an important component of modern curricula. Law graduates must understand cybersecurity, electronic evidence systems, AI regulation, and digital transactions. Finally, legal education must emphasize professional ethics and integrity. Fraud prevention does not only depend on technical competencies, but also on moral values and professional responsibility. Thus, universities play a role in shaping graduates who are not only legally competent but also have high integrity in maintaining public trust.

4. Conclusion

The increasing complexity of banking fraud and financial crimes requires the Law Study Program to reformulate its educational orientation and curriculum development. The integration of banking law competencies and fraud law enforcement in legal education is highly important to produce graduates capable of responding to contemporary banking challenges and labor market needs.

Banking fraud cases involving directors, employees, and digital financial systems demonstrate that legal professionals must possess multidisciplinary competencies encompassing banking regulations, corporate governance, compliance systems, cyber law, and financial crime investigation. Therefore, the Law Study Program needs to strengthen practical and professional learning approaches through case-based learning, internship programs, institutional cooperation, and technology integration in the learning process.

This integration is expected to improve graduate competitiveness, strengthen legal professionalism, and contribute to fraud prevention and law enforcement efforts in the

banking sector. Thus, competency-based curriculum reform in banking law and fraud law enforcement needs to become a strategic priority for legal education institutions in Indonesia.

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