

Beyond Compliance: The Role of Business Law Literacy Among Entrepreneurs in Inhibiting Corporate Corruption

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Abstract

The contemporary global economic landscape, corporate corruption remains an endemic challenge that transcends jurisdictions, distorting markets, undermining public trust, and violating fundamental principles of fair competition. Traditional responses to corporate misconduct have predominantly relied on strict legal compliance systems. However, major corporate scandals continually reveal the inadequacy of merely adhering to the letter of the law. This report explores the paradigm of "Beyond Compliance," critically analyzing how business law literacy (legal astuteness) among entrepreneurs acts as a powerful inhibitor of corporate corruption. The study employs a normative legal research methodology, utilizing statutory and conceptual approaches to dissect the evolution of corporate criminal liability in Indonesia, particularly under Supreme Court Regulation (PERMA) No. 13 of 2016 and Law No. 1 of 2023. The results indicate that transitioning from a compliance-based strategy to an integrity-based strategy is essential for modern enterprises. Furthermore, the report conceptualizes how integrity-based ethics, when intersected with the philosophical and spiritual doctrines of Islamic Law (Fiqh Muamalah and Akhlak Bisnis), elevates corporate governance from mere legal obligation to ultimate moral accountability. When integrity is philosophically grounded in the Islamic principles of Amanah (trust), 'Adl (justice), Ihsan (excellence), and Taqwa (spiritual consciousness), compliance operates as a profound spiritual responsibility to Allah SWT. Ultimately, the synthesis of advanced business law literacy and spiritually grounded ethical integrity provides the most resilient defense against corporate malfeasance.

I. Introduction

Modern trade architecture is intrinsically bound by a framework of laws, regulations, and ethical principles designed primarily to ensure fair competition, protect stakeholders, and safeguard the systemic integrity of global markets (Putra et al., 2026). Despite the massive proliferation of strict anti-corruption laws, comprehensive corporate governance guidelines, and various international conventions such as the Foreign Corrupt Practices Act (FCPA) in the United States or the guidelines from the Organization for Economic Cooperation and Development (OECD), corporate corruption remains one of the most persistent and damaging threats to sustainable economic development worldwide (Module 3: Global Environment, 2015). This phenomenon of corporate corruption is not limited to large-scale bribery of foreign officials, but also encompasses a broad spectrum of systemic internal fraud, collusion, conflicts of interest, and illegal kickbacks that erode the core values of the business entities themselves (Abdurrahman, 2025).

The history of global corporate failures over the past two decades clearly reveals a fundamental vulnerability in the way business organizations respond to and understand the law. Historically, corporations' primary response to regulatory pressure has been to implement compliance-based programs that are often little more than a formality. Scandals involving giant multinational corporations have made the world realize that extensive compliance programs that function merely as "box-ticking exercises" are woefully inadequate in curbing sophisticated financial crimes and corrupt practices that are deeply entrenched in organizational culture (Arodha, 2025).

This fundamental problem stems from the conceptualization of the meaning of "compliance" itself. When compliance is viewed exclusively through a reactive and

defensive lens—focused primarily on efforts to avoid criminal prosecution, minimize legal liability, and protect the company’s reputation from public scandal—this approach often fosters a corporate culture that seeks out legal loopholes rather than pursuing genuine ethical alignment (Paine, 2013). In such an organizational environment, the absence of explicit legal prohibitions is often misinterpreted as permission to engage in unethical conduct (Paine, 2013). Rigid adherence to the written text of the law, without the slightest commitment to the spirit of that law, creates an organizational blind spot that is extremely dangerous to the company’s sustainability. Therefore, there is an urgent need for a paradigm shift toward a “Beyond Compliance” framework. This paradigm posits that a company’s true resilience against corruption requires far more than mere superficial adherence to legal regulations; it demands a deep internalization of ethical standards and the development of a robust culture of integrity across all levels of management and operations (Kroll, 2020).

Central to the successful implementation of the Beyond Compliance framework is a solid grasp of the concepts of “Business Law Literacy” or “Legal Astuteness” among entrepreneurs and top management teams (CBS, 2026). Entrepreneurs who possess a sophisticated and holistic understanding of business law are uniquely positioned to recognize the strategic value of ethical governance. Legal literacy in this context is by no means synonymous with the requirement to hold a formal law degree; rather, legal literacy refers to a managerial competency that encompasses an understanding of the legal environment, the ability to make informed judgments, the capacity to identify potential legal liabilities before they escalate into crises, and the seamless integration of legal and ethical considerations into core business strategies (CBS, 2026).

A legally astute entrepreneur fully understands that corruption acts as a hidden

tax that drains resources, erodes market competitiveness, destroys institutional reputations built over many years, and invites criminal and civil liability that can lead to bankruptcy or the dissolution of the company (Module 3: Global Environment, 2015).

Specifically within the context of Indonesia's legal landscape, the urgency of business legal literacy has been radically amplified by transformative developments in the regime of corporate criminal liability. The issuance of Supreme Court Regulation (PERMA) No. 13 of 2016 on Procedures for Handling Criminal Cases Involving Corporations, followed by the enactment of Law No. 1 of 2023 on the new National Criminal Code (KUHP), has unequivocally and definitively established corporations as independent subjects of criminal law (Ainun et al., 2025). These progressive legal instruments stipulate that corporations can be held criminally liable not only when their executives actively participate in corrupt acts, but also when the corporation passively fails to implement adequate measures to prevent such crimes from occurring (the crime of omission) (Ansugi Law, 2025). The logical consequence of this evolution of the law is that ignorance of the law (*ignorantia juris non excusat*) or passive reliance on basic compliance structures can no longer be invoked as a valid defense in the eyes of the law.

Furthermore, the discourse on corporate integrity and the "Beyond Compliance" paradigm finds profound philosophical and practical resonance in the principles of Islamic law, particularly in the fields of *Fiqh Muamalah* (Islamic commercial jurisprudence) and *Akhlak Bisnis* (Islamic business ethics) (Abdurrahman, 2025). Although the main analysis in this report is rooted in general positive law jurisprudence and modern corporate governance theory, introducing an Islamic perspective offers a critical dimension of depth. Within the framework of Islamic law, the phrase "Beyond Compliance" is not merely an advanced

corporate strategy or risk management tactic; it is an existential imperative for every Muslim individual. Compliance with the state's positive law (legal-formal) is encompassed within a far higher and transcendent obligation: namely, absolute moral and spiritual accountability to Allah SWT (Abdurrahman, 2025). Fundamental concepts such as *Amanah* (trust and fiduciary duty), *'Adl* (justice and proportionality), *Ihsan* (excellence in ethics and good deeds), and *Taqwa* (spiritual awareness and piety) fundamentally transform an entrepreneur's relationship with the law (Arodha, 2025). These principles ensure that ethical and anti-corruption behavior will continue to be upheld even in situations where there is no government oversight or enforcement of regulations whatsoever, because true oversight comes from the divine realm.

Based on the background of the issue as outlined above, this report aims to comprehensively outline the mechanisms through which business legal literacy can curb corporate corruption. This report is systematically structured to address the rational and essential reasons why this issue is crucial to examine, particularly given the complexity of the problem if corporate corruption is left unaddressed without a shift in the management paradigm. The structure of this report is divided into two main sections. The first section will critically examine the paradigm shift from mere rigid legal compliance toward strategic business legal literacy within the framework of evolving corporate criminal liability. Meanwhile, the second discussion will explore the theoretical and practical applications of the "Beyond Compliance" paradigm, integrating integrity-based organizational systems with the deep spiritual accountability demanded by Islamic business ethics. The purpose of this article is to demonstrate that a synthesis of advanced business law literacy and ethical integrity grounded in spirituality provides the most robust defense against corporate misconduct.

2. Research Method

Given that the nature of the issues under study focuses on the analysis of legal texts, management concepts, and philosophical ethical principles, this study employs a normative legal research approach (doctrinal legal research). Normative legal research is a process of identifying legal rules, legal principles, and legal doctrines to address the legal issues at hand (Marzuki, 2017). This approach was chosen because the primary objective of this study is to examine and develop a concept of justice and governance in the development of alternative sanctions and prevention strategies for corporations—a fundamental normative task that involves the study of *ius constitutum* (currently applicable law) and ideal concepts of corporate compliance.

To examine the research issue holistically, several specific approaches were applied simultaneously. First, the statutory approach was used to analyze the regulatory framework relevant to corporate criminal liability and corruption offenses. The primary focus of this statutory analysis is the new Criminal Code (Law No. 1 of 2023), the Law on the Eradication of Corruption (Law No. 31 of 1999, as amended by Law No. 20 of 2001), and Supreme Court Regulation (PERMA) No. 13 of 2016 on Procedures for Handling Criminal Cases Involving Corporations. This approach allows researchers to understand the formal legal constraints currently binding business entities in Indonesia.

Second, a conceptual approach is used to analyze doctrines and theories that have developed outside the texts of positive law. This approach explores the strategic management literature on “Legal Astuteness” as proposed by Constance E. Bagley, the “Integrity-Based Ethics” framework by Lynn Sharp Paine, and integrates them with concepts from Islamic commercial jurisprudence (*Fiqh Muamalah*) such as *Amanah*, *‘Adl*, *Ihsan*, and *Taqwa*. The data for this study is derived

entirely from secondary sources, including primary legal materials (government regulations), secondary legal materials (indexed international and national academic journals, textbooks, reports from non-governmental organizations such as Transparency International, and university publications), as well as materials from global economic forums. Data collection was conducted through extensive library research. Data analysis was performed using qualitative methods, in which various sources of literature were synthesized to construct a cohesive narrative regarding the importance of business law literacy and ethical integrity in curbing corporate corruption. A limitation of this review is that the discussion remains focused within the framework of business law and corporate governance in general, with Islamic law serving as a reinforcing philosophical element (rather than as a dominant source of positive law).

3. Results and Discussion

A. The Transition from Formal Legal Compliance to Business Legal Literacy (Legal Astuteness) in Preventing Corporate Corruption

For decades, the traditional approach to corporate governance has been dominated by a reactive legal compliance model. In this conventional paradigm, the law is viewed narrowly as an external constraint—a set of rigid restrictions that dictate what a corporation must not do in order to avoid fines or the shutdown of its operations (Paine, 2013). The purpose of traditional compliance programs is essentially defensive: to prevent, detect, and punish specific legal violations in order to protect corporations from regulatory sanctions and negative publicity (Nwinyokpugi, 2014). However, an extensive review of the history of global corporations clearly indicates that highly centralized compliance programs—driven exclusively by corporate lawyers and characterized by a “check-the-box”

approach—have often proven to be a complete failure in curbing systemic corruption (Glencorse, 2016). When the law is treated merely as an obstacle to be navigated in the name of efficiency, business actors tend to engage in “creative compliance”—or manipulative compliance—where they adhere to the technical language of regulations while deliberately undermining the essential intent or purpose behind those regulations in order to secure personal or corporate gain. To dismantle such a complex architecture of corporate corruption, a radical paradigm shift is needed—from passive legal compliance to proactive business legal literacy, articulated in academic literature as “Legal Astuteness.”

The evolution of the significance of business legal literacy cannot be separated from the aggressive development of the doctrine of Corporate Criminal Liability (CCL), which has become particularly evident in the Indonesian legal system. Historically, criminal law—a legacy of the Continental European tradition—operated under the strict maxim *societas delinquere non potest* (a corporation cannot commit a crime). This classical view focused entirely on *mens rea* (criminal intent or mental state) and *actus reus* (criminal act), which can only be attributed to natural persons (*natuurlijk persoon*) (Abidin et al., 2023). However, as corporate structures have grown increasingly massive, transnational, and highly complex, it has become abundantly clear that holding individual employees or lower-level managers solely accountable while leaving the corporate entity itself untouched constitutes a failure of the judicial system (Haniah, 2018). This individualistic approach has proven ineffective in dismantling a systemic corporate culture that, in fact, covertly provides incentives, sets unrealistic targets, and puts pressure on its employees to engage in corrupt practices in order to boost the company’s profits (Aripkiah, 2020).

The legal landscape of the Indonesian judiciary has undergone a tectonic shift

with the enactment of Supreme Court Regulation (PERMA) No. 13 of 2016 on Procedures for Handling Criminal Cases Involving Corporations (Ainun et al., 2025). PERMA 13/2016 effectively and definitively codifies the procedural mechanisms for indicting, prosecuting, and imposing criminal sanctions on corporate entities. The most crucial aspect of this regulation—which is also the absolute reason why business legal literacy has now become a non-negotiable element for entrepreneurs—is set forth in Article 4 of the regulation.

Pursuant to the provisions of Article 4 of PERMA 13/2016, a corporation may be held criminally liable and found to have committed “corporate fault” if the panel of judges determines that one or more of the following criteria are met:

- a. A corporation may derive a profit or benefit from the act of corruption, or the act was committed solely for the benefit of the corporation (Ansugi Law, 2025).
- b. The corporation allowed (by omission) the commission of the criminal act to occur without any intervention or prohibition by management at the appropriate level of authority (Ansugi Law, 2025).
- c. The corporation failed to take the necessary steps to prevent the offense, mitigate its impact, and ensure compliance with applicable laws to avoid the commission of the criminal offense (Ansugi Law, 2025).

The third criterion above represents a monumental shift in national legal accountability. This criterion establishes a standard that bears a strong resemblance to the concept of strict liability, which is intertwined with vicarious liability in Anglo-Saxon legal doctrine (Perbanas, 2026). If a mid-level manager is caught paying a bribe (*risywah*) to a government procurement official to win a bid for an infrastructure project, the corporation can no longer evade liability by simply claiming that top management was unaware. Prosecutors and judges will immediately investigate and scrutinize the corporation’s internal control

mechanisms. If it is proven that the executives or board of directors leading the company lack the legal acumen to design, establish, and oversee a robust anti-corruption compliance program, implement whistleblower protocols, and consistently enforce a code of ethics, then the corporation itself is deemed guilty and can be held criminally liable (Kusuma & Partners Law Firm, 2025).

This progressive legal development has been permanently enshrined in the foundations of the national criminal law system with the enactment of Law No. 1 of 2023 on the new Criminal Code (KUHP) (Perbanas, 2026). Law No. 1 of 2023 explicitly recognizes corporations as valid subjects of criminal law and stipulates that corporations may be subject to principal criminal penalties in the form of very significant fines, as well as additional criminal penalties that have the potential to destroy a business, such as asset forfeiture, revocation of business licenses, and even the forced dissolution of the corporation (Ansugi Law, 2025). Faced with such a deterministic reality of law enforcement, business legal literacy is no longer an optional soft skill for entrepreneurs, but rather a core competence essential to the survival of commercial entities.

It is in this context that the concept of Legal Astuteness, as formulated by Constance E. Bagley, finds its most significant application. Business legal literacy, within Bagley's framework, is not the ability to mechanically memorize statutory provisions. Rather, legal astuteness is a dynamic managerial capability that empowers top management teams to communicate effectively with both in-house and outside legal counsel, collaborate to solve structural problems, and, most importantly, leverage the law as a strategic asset to protect corporate value (CBS, 2026). Legally astute entrepreneurs operate through four core components that shape their holistic view of corporate governance:

First, Value-Laden Attitudes. Legally savvy businesspeople fully recognize that

legal compliance and ethical conduct are directly linked to a company's long-term success. They do not delegate strategic decisions with legal implications entirely to legal consultants; rather, they take personal responsibility for ensuring that all legal aspects are managed with the utmost care (Bagley, 2015). Second, A Proactive Approach. Business owners do not wait for an investigation summons from law enforcement agencies such as the Corruption Eradication Commission (KPK) or an audit from tax regulators to improve their internal procedures. Instead, they continuously monitor regulatory changes, identify latent risks in their supply chains, and promptly mitigate those vulnerabilities (CBS, 2026). Third, Informed Judgment. Entrepreneurs are able to balance legal risks with commercial opportunities. They understand legal boundaries, reject business practices that, while profitable in the short term, are illegal (such as bribery or tax evasion), and make final decisions based on a measured assessment of long-term cost-benefit analysis (CBS, 2026). Fourth, Context-Specific Knowledge (Context-Specific Legal Knowledge). Business owners have a basic understanding of the specific rules that apply in their industries—whether it be the FCPA, the UK Bribery Act for multinational corporations, or Indonesia's Corruption Crimes Act—so that they know the appropriate legal tools to protect their companies in an ethical manner.

The importance of mastering business legal literacy applies not only to multinational conglomerates but is also essential for Micro, Small, and Medium Enterprises (MSMEs) and startup entrepreneurs. MSMEs, which form the backbone of Indonesia's economy and employ the largest percentage of the workforce, are often the entities most vulnerable to extortion and illegal fees within government bureaucracy due to their weak internal legal infrastructure (World Justice Project, 2012). A lack of business legal literacy often prevents MSMEs from obtaining a Business Identification Number (NIB) on their own, which in turn forces them into

the gray area of the informal economy and makes them dependent on “brokers” or illegal intermediaries who are highly prone to bribery (Kaplele et al., 2026). Strategic interventions to improve digital-based business legal literacy among MSMEs have been empirically proven to reduce corruptive intentions, enhance adaptive capacity, promote tax compliance, and ultimately foster a stable and healthily competitive economic ecosystem (Aditama et al., 2025).

Table 1. The Dichotomy of Managerial Approaches to Corporate Legal Compliance

Evaluation Parameters		Conventional Governance (Low Legal Literacy)	Legal Astuteness (High Legal Literacy)
Perspectives on Law		Viewed as a necessary evil, a burden in terms of operating costs, and an obstacle to business.	Viewed as a tool for asset protection, a competitive advantage, and a foundation for creating added value.
Compliance Models	Approach	Reactive and highly defensive; acts only after receiving a warning, focusing solely on avoiding sanctions.	Proactive, structured, and directly integrated into every aspect of operations and core business strategy.
Relationship with Legal Consultants		Delegating completely without oversight; the attorney is only contacted when the company is facing a crisis or a lawsuit.	Collaborative; attorneys are involved from the very beginning of business planning as strategic partners in risk management.
Corruption Prevention		Relying on the fear of criminal penalties and “check-the-box” audits	Driven by informed judgment, rigorous internal oversight, and a

(mere formalities) that are prone to manipulation. deep understanding of the risks of corporate criminal liability (Perma 13/2016).

(Source: An Analytical Synthesis of Constance Bagley's Literature and National Regulations)

When business legal literacy is internalized, the entire organizational culture of a company will undergo a fundamental transformation. The legal department will no longer be sidelined as a “roadblock” to plans, but will instead be positioned on an equal footing with strategic, profit-generating units (CBS, 2026). Business leaders with this level of legal literacy will automatically design a corruption-prevention framework that complies with the provisions of Perma 13/2016 and Law No. 1 of 2023—not out of obligation, but out of the awareness that legal integrity is the strongest shield against the threat of global economic disruption.

B. The “Beyond Compliance” Paradigm: The Convergence of Organizational Integrity Systems and Islamic Legal Philosophy (*Fiqh Muamalah*)

Although a sophisticated understanding of corporate criminal liability and strict compliance with the law are absolute foundations, these elements, conceptually, are not yet sufficient to completely eradicate the insidious roots of corporate corruption. Strict compliance programs, in essence, merely establish a “behavioral floor”—the absolute minimum standard required by law to prevent a corporation from being dragged into court. However, a corporation navigating the highly complex dynamics of global trade, if guided solely by the compass of legal compliance, will inevitably encounter ethical dilemmas where a country's positive law has not yet anticipated them or where the legal rules are fraught with ambiguity (gray areas). To truly curb corporate corruption, organizations have no choice but to move toward a “Beyond

Compliance” paradigm. This requires a systemic transition to an integrity-based ethics system and, most crucially, the instillation of a deep sense of moral and spiritual accountability into the very DNA of the organization itself (Lartey, 2021).

A detailed exploration of the boundaries of formal compliance has been proposed by leading organizational ethics expert Lynn Sharp Paine, who critically highlights the dichotomous distinction between compliance-based ethics programs and integrity-based ethics programs (Paine, 2013). Paine concluded that an excessive reliance on the law to regulate human behavior in the workplace is a fatal mistake. Compliance-based strategies have a core ethos rooted in the alignment of actions with standards imposed by external entities (the state or sectoral authorities). These strategies are rigidly driven by legalistic expertise and focus on prevention, detection, and the imposition of sanctions for legal violations (Nwinyokpugi, 2014).. The employee mindset shifts from “doing the right thing” to “doing whatever as long as I don’t get caught or there’s no legal basis for it,” thereby alienating the organization’s overall moral compass and reducing it to a mere criminal code (Skidmore & Grimsley, 2013).

As a rational antithesis, an integrity-based strategy relies heavily on the concept of self-governance, aligned with ethical standards that are internally selected, embraced, and upheld by the company. Its primary objective goes far beyond a mere reluctance to violate the law; rather, it is aimed at facilitating and encouraging responsible and exemplary conduct. This strategy is directly driven by a commitment from top management to seamlessly integrate moral considerations into day-to-day business operations, strategic planning, product design, and employee performance incentive structures. Integrity systems are built on a more optimistic sociological premise: that humans are fundamentally social beings guided by value systems, idealism, and positive peer influence—and not merely by financial interests.

In the implementation of this integrity-driven “Beyond Compliance” framework, adherence to anti-corruption regulations is no longer perceived as a restrictive external burden, but is actively embraced as a positive element of organizational life. A corporation that has instilled a culture of integrity does not simply stop bribing clients out of fear of fines amounting to trillions of rupiah under the Anti-Corruption Law or PERMA 13/2016; rather, they avoid bribery because such corrupt practices directly contradict the corporation’s core values, undermine the integrity of market fairness, discredit the business governance system, and erode the company’s social license to operate (Fasih, 2022).

To achieve the highest and most holistic level of organizational integrity, this “Beyond Compliance” paradigm finds invaluable philosophical and practical enrichment when it is conceptually integrated with the spiritual doctrines of Islamic law. In the context of Fiqh Muamalah (Islamic jurisprudence on economic and commercial activities) and Business Ethics (applied Islamic business ethics), the term “Beyond Compliance” is not merely a modern managerial innovation; this paradigm is a fundamental axiom of human existence itself (Abdurrahman, 2025).

Within the paradigm of Islamic corporate governance, the ultimate goal of compliance is never directed exclusively toward the positive law codified by the state’s secular authorities (legal-formal). Although obeying state law is a mandatory prerequisite for maintaining social order, the ultimate accountability for a Muslim entrepreneur is moral, spiritual, eschatological, and absolute—directed toward the All-Knowing, namely Allah SWT. Awareness of this transcendent accountability (dual accountability) radically redefines an entrepreneur’s mindset when faced with the temptation of corporate corruption. This philosophical and practical convergence can be analyzed through four main doctrinal pillars:

First, the Concept of Amanah (Trust and Fiduciary Duty). Within the framework

of conventional corporate law, the board of directors has a fiduciary duty to act in the best interests of shareholders in order to maximize profits. In Islamic business ethics, this duty is elevated without limit through the concept of Amanah. All of the company's resources, strategic positions, financial capital, and managerial capabilities are theologically regarded as a sacred trust or amanah from God.

Second, the Concept of 'Adl (Proportional Justice) and Corporate Operations. Fiqh Muamalah stipulates that the principle of 'Adl must serve as the primary foundation for every corporate policy formulation, procurement practice, and market relationship. This justice entails the proportional fulfillment of each party's rights without causing unilateral harm (dharar). Islamic business ethics categorically rejects the Machiavellian pragmatic view often embraced by the modern business world, where the end result—a surge in profits—is deemed to justify any corrupt means.

Third, Taqwa (Supreme Spiritual Awareness) as the Supreme Internal Control Mechanism. No matter how sophisticated the monitoring software and compliance regulations devised by a panel of legal experts may be, loopholes for white-collar crime will always be exploitable if executives insist on engaging in secret collusion (Rice University, 2026). An internal control mechanism that can never be circumvented is the presence of Taqwa—the constant awareness that Allah is always watching every action, whether open or hidden.

Fourth, Ihsan (Moral Excellence) as the Pinnacle of the “Beyond Compliance” Pyramid. If meeting the minimum standards of legal compliance is likened to the foundation of the lowest floor, then Ihsan stands as its pinnacle. Ihsan is a spiritual resolve to pursue absolute perfection in ethical conduct, Corporations that practice Ihsan do not prepare accountability reports merely to satisfy external auditors in order to avoid having their licenses revoked; rather, they position themselves as the ideal embodiment of the value of pure honesty (*Sidq*). Financial reporting integrity and the

absence of fraudulent intent are seen not only as protecting a company's economic value, but, most importantly, as preserving the blessings and moral legitimacy of the wealth it generates (Heykal et al., 2026).

Table 2. A Comparison of Corporate Governance Paradigms: The Formal Ethics, Integrity, and *Fiqh Muamalah* Approaches

Dimensions of Governance	Compliance-Based Ethics (Traditional Formal Compliance)	Integrity-Based Ethics (The Modern "Beyond Compliance" Paradigm)	Islamic Governance (Fiqh Muamalah & Business Ethics)
Primary Objective	To prevent legal violations in writing and minimize the potential for prosecution (criminal or civil liability).	Empower and facilitate responsible, autonomous behavior based on the company's noble values.	Fulfilling the sacred trust (<i>Amanah</i>) from Allah and striving for unconditional ethical perfection (<i>Ihsan</i>).
Accountability Center (<i>Locus of Accountability</i>)	State institutions, the judiciary, regulatory agencies, and written positive law.	All stakeholders, the board of directors, and the organization's internal code of ethics.	Completely directed toward Allah SWT (Spiritual Accountability) alongside human accountability (<i>Hablumminannas</i>).
<i>Driver of Behavior</i>	Fear of legal consequences, physical inspections, and reluctance to face	Internal alignment with the organization's core values, ethical pride, and peer	Awareness of divine oversight (Taqwa), the hope for eschatological rewards, and the

		material penalties influence. (fines or imprisonment).	pursuit of the blessings of divine favor.
Perspectives on Corruption (<i>Risywah</i>)	Illegal criminal acts that pose a high risk of financial collapse and serious criminal charges.	Unethical conduct that undermines the internal culture of honesty, destroys the brand's reputation, and erodes operational integrity.	Destructive moral sins (fasad), betrayal of a trust, extreme injustice (violation of 'Adl), and ill-gotten wealth that strips life of its blessings.

(Source: An Analytical Elaboration Based on the Framework of Lynn Sharp Paine, Constance Bagley, and Contemporary Fiqh Muamalah Doctrine)

Comprehensively, by integrating a sharp understanding of business law with the broadening of moral horizons through integrity-based ethics and Islamic governance, a holistically calibrated anti-corruption defense mechanism is created. A legally astute entrepreneur will use their knowledge of the corporate criminal liability regime to design a solid legal defense infrastructure through compliance programs. However, such a grand infrastructure will not last long without a life-giving spirit. By firmly embracing the “Beyond Compliance” paradigm—enriched with the values of Amanah, ‘Adl, Taqwa, and Ihsan—the entrepreneur then breathes the spirit of morality into the organization by placing human resources who possess an internal moral compass that cannot be broken by the temptations of corruption. Through this synthesis of a masterpiece, positive law—as seen by entrepreneurs—no longer appears as an external threat of criminal punishment, but rather becomes merely a written articulation and superficial formalization of what has, in fact, been an absolute spiritual commitment and organizational governance from the very beginning.

Spiritual integrity ensures legal compliance, but legal compliance does not always lead to spiritual integrity; therefore, “Beyond Compliance” is a necessity.

4. Conclusion

Comprehensive and permanent eradication of corporate corruption requires a radical and systematic shift in the way business leaders interact with legal instruments. Business leaders must act with precision, move away from a minimalist compliance approach that is purely defensive in nature, and steadily transition toward a strategic framework of business legal literacy (legal astuteness) combined with deep moral accountability. As confirmed by the evolution of corporate criminal liability law—specifically codified in the Indonesian jurisprudential landscape through PERMA No. 13 of 2016 and Law No. 1 of 2023 —corporations in the modern era can no longer hide or take refuge behind the excuse of wrongdoing committed by individual employees (rogue employees). The current legal system imperatively mandates the existence of systemic, preventive governance; making legal acumen, or business legal literacy, not merely a complement, but an absolute and irreplaceable executive competency. Business leaders must shift from the outdated view that sees the legal function merely as a restrictive cost center to the realization that it is a central strategic infrastructure for mitigating operational risks and creating long-term value for the company.

Nevertheless, it must be acknowledged that a formal legal compliance framework alone is wholly inadequate to counter the highly sophisticated and ever-evolving nature of white-collar crimes. To effectively curb various manipulative schemes and the complexities of financial crimes, business organizations must internalize the overarching “Beyond Compliance” paradigm. This step necessitates a revolutionary transition from a compliance program based on the threat of legal penalties—which

has long been monopolized by the considerations of corporate lawyers alone—toward the implementation of integrity-based ethics led by management to create a culture of true self-governance. The significance of this integrity-based paradigm reaches its highest pinnacle when combined with the philosophical and spiritual dimensions of Islamic Law, particularly those derived from the traditions of Fiqh Muamalah and Business Ethics. By cultivating and internalizing noble principles such as Amanah (the duty to safeguard divine trusts), 'Adl (justice and proportionality), Taqwa (inner self-reflection and constant spiritual awareness), and Ihsan (unconditional moral excellence), a corporation's duty of compliance is elevated beyond the burden of secular legal regulations. Legal compliance thus becomes a moral responsibility and a spiritual offering made directly to Allah SWT. Ultimately, this brilliant synthesis of sharp business legal acumen and spiritual integrity deeply rooted in faith will undoubtedly weave a corporate culture that is extremely robust and impervious, where acts of corruption are not only viewed legally as violations of positive law but are also positioned culturally and theologically as something that is utterly inconceivable.

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