

## ABSTRACT

The main problem, which I examine in this research, is the legal protection to the mutual fund participation unit holder of Collective Investment Contract (CIC) type in Indonesia, beside that, I also examine the investment position of the CIC participation unit holder with the unit holder management, which conduct by the Investment Manager and the Custodian Bank.

The legal form of CIC in Indonesia is an agreement, which conducts between the Investment Manager and the Custodian Bank, this agreement is characterize by burden, because the agreement made for the third party, in this case is the participation unit holder. Whereas the connection between the participation unit holder's legal position and the unit holder management, which conduct by Investment Manager and the Custodian Bank is an economic or advantage proprietor of the CIC mutual fund.

The protection of the CIC participation unit holder in Indonesia is implicitly regulated in Capital Market Regulation, but the emphasize mostly in economic sector only. This protection could be found too in the CIC mechanisms and managements, such as in mutual fund licenses, the relationship between the Investment Manager and the Custodian Bank, disclosure principal, insurance, the mutual fund and Investment Manager disgraceful action, fraud protection, insider trading, controlling, CIC regulation in dissolution and the liquidation of mutual fund.

To optimize the protection of the CIC participation unit holder in Indonesia, we need complete legal products, which is not emphasize in economic sector only, but also regulate the legal protection in details especially for the small investor, and the escalation of capital market human resources.