

ABSTRACT

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Effective Statement by the Financial Service Authority on Mutual Fund Promising Fixed Return

(xii+116)

Competition between fund managers grows in terms of selling mutual fund products. Some fund managers sell their product promising fixed return that may lead to potential loss of investors. Financial Service Authority Law has forbid this practice. This research is made to examine the essence of mutual fund products in capital market and effective statement by the Financial Service Authority for mutual fund products promising fixed return. The type of study conducted is juridicial normative with secondary data type by gathering information from literature. First conclusion, the essence of mutual fund products is investment which contains risks and returns that cannot be predicted following market mechanism. Second, Financial Service Authority has the power not to establish effective statement for mutual fund products promising fixed return as a legal protection for investors and effective statement that has already been established as State Administrative Decision must be revoked by Financial Service Authority themselves. Investors must be more aware of mutual fund products, whether it is comply to the rules or not. For Financial Service Authority has to be more careful in establishing effective statement for mutual fund products and more assertive in performing procedures if any violation occurs.

Reference: 44 (1982-2019)

Keyword: *Mutual Fund; Fixed Return; The Financial Services Authority*