

ABSTRACT

Joshua Greenspan (01051190169)

INVESTOR LEGAL PROTECTION TOWARDS POM-POM PRACTICE WITHIN STOCK TRADING IN THE INDONESIAN CAPITAL MARKET

(IX + 100 pages)

The capital market can serve as an alternative funding solution for companies while providing investment opportunities for investors with spare funds. As the capital market is a place with various interests from different parties, conflicts of interests that may cause crime and violations by irresponsible parties are unpreventable. Moreover, with the advancement in technology, social media has been used by influencers to perform actions known as “Pom-pom”, a new kind of violation done by stock influencers on social media that is not specifically regulated in the Indonesian Capital Market. This raises the issue of investor protection against Pom-pom, its characteristics and legal standing within the Indonesian Capital Market Law, and legal liability towards investor’s loss and damages caused by Pom-pom. This study aims to solve legal issues regarding Pom-pom within the capital market environment and to obtain legal discoveries regarding Pom-pom. The author uses legal normative research methods whilst using literature studies and a statute approach. The data analyzed are qualitative data. Based on the result of this research, the author found that Pom-pom, despite not being specifically regulated in the Indonesian Capital Market Law, may have certain characteristics that falls under other Capital Market violations, such as fraud, market manipulation and insider trading, depending on the parties involved. The author also found that legal liability regarding civil losses caused by Pom-pom may only fall under Article 111 of the Indonesian Capital Market Law, an expansion of Tort Law as regulated by the Indonesian Civil Code. Based on these results, the author concludes that Pom-pom and other new offences that may violate principles of the Indonesian Capital Market Law needs to be specifically regulated. The author also suggests that the regulatory body of the Capital Market to become more proactive in preventing violations by having a certain code of conduct regarding Capital Market violations to minimize losses faced by investors. It is also necessary to create a platform to aid investors in damage lawsuits as a better form of investor protection.

References: 23 books, 20 journals, 4 research papers (47, 1991-2022)

Keywords: Pom-pom, Capital Market, Legal Protection, Legal Liability