

## **ABSTRACT**

Nicholas Mario Alfando Ongko (00000024694)

### **JURIDISTIC REVIEW OF SHARE BUYBACK AS A FORM OF MARKET MANIPULATIONS IN INDONESIA, SINGAPORE, AND UNITED STATES CAPITAL MARKET**

(ix + 109 pages = 117)

In the era of globalization, the capital market is one of the main sources to gain funding for Indonesia. However, capital market not only brings advantages, but the rapidly growing capital market also brings a lot of new problems that one country has to solve in order to create a fair, transparent capital market. Right now, one of the biggest problems is regarding share buy-back that raised concern across the globe, including Indonesia, Singapore and the United States. The nature of share buy-back itself is to boost share prices by increasing Earning Per Share. The announcement of share buy-back can also increase issuer share prices because of “signaling theory” that received by investors. In this study, writer examined the effectiveness of share buy-back regulation to prevent capital market infringement and how share buy-back can be used to manipulate stock prices. Every year, the number of share buy-backs has increased in Indonesia, Singapore, and the United States. While United States is known for being advanced in the field of capital market, many experts and law practitioners raised their voice to the SEC in order to ban or strictly regulate the share buy-back. This is based on the fact that regulations in the United States can’t limit companies’ ability to repurchase their shares. Many company executives took advantage of higher stock prices to sell their shares in the company. While SGX already gave cautions for companies that conduct share buy-back, increased number of shares buy-back in Singapore also occurred because of the high volume of shares that companies can repurchase in SGX regulation. Meanwhile, in Indonesia, there’s a regulation about market manipulation and share buy-back but there’s never been a case about market manipulation that brought up to the court. It can be difficult for OJK to keep an eye on this growing share buy-back phenomenon. Therefore, the regulation in each country needs to be renewed to cope with rapidly growing share buy-back as well as to raise awareness and in-depth education about share buy-back as market manipulation in law enforcement officials.

Reference: 76 (1986-2019)

Key Words: Share Buy-back, Share Repurchases, Capital Market, Market Manipulation, Indonesia, Singapore, United States