

ABSTRACT

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JUDICIAL REVIEW OF PRUDENT BANKING PRINCIPLE TO A BANK AS A CUSTODIAN IN INDONESIAN CAPITAL MARKET

(xi + 90 pages)

In conducting a series of the process of economic development cause challenges which were significant for financial institutions in Indonesia, one of them is the banking institution. The strategic role banking institution carrying the main task as the vehicle that can collect and distribute funds effectively and efficiently, which requires to be perfecting persistently so that it will be able to have comparative excellences. As an agent of development, the bank is expected to provide a contribution to increase national savings, grow business activities, and enhance the allocation of the source of economy. In the banking sector, there is Custodian Bank, based on Act No. 8 of 1995, which were the ones who give the services of entrusting the securities and other estate which relates to the securities as well as other services, including receiving dividends, interest, and other rights, settling securities trading, and representing the holders' account as a bank clients. In terms of Custodian, it can be argued that Custodian holding an important role in the transaction capital markets. In carrying out the role as a Custodian, prudent banking principle has to be the basic foundation in order to secure the bank clients' assets. Looking at the Custodian activities on Indonesian Capital Market, it seems like its necessary to apply prudent banking principle, so that the bank clients wont hesitant to save their assets at the bank. The other purpose is that so the bank will always in a good condition and will be able to support the development and economic development in Indonesia.

Key Words: Prudent banking principle, Bank, Custodian, Capital Market, Securities Deposit Services, Securities, Bank Clients.

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