

ABSTRACT

Capital Market, as a source of financing for business, supports economic expansion of a country. However, nowadays we often heard that international media exposed the financial scandals of U.S. listed companies. Some companies that had good reputation of their integrities have committed corporate crimes.

Trough corporation, executives take personal benefit by breaching law and regulations. The financial performance of the company which was reported as profit, in fact the company booked loss. Some companies were even in the bankmptcy situation which the bankruptcies were undetected before.

Similar cases were happened in the Indonesia's Capital Market. The violation against Capital Market Law and regulations seems to increase quantitatively and qualitatively. This tendency has encouraged Bapepam to always make continuous effort to enhance its competence in capital market law enforcement.

Because the Capital Market is the economic instrument which will play a greater role in the future economic of a country, therefore all system and mechanism should be based on a clear rule of game which is reflected on the law and regulations.

Anyone who violates the capital market law and make a misleading information or commit fraud, or insider trading or market manipulation, should be faced with serious sanctions. That is the only way to recover the public trust.

Sanctions which are regulated in the Criminal Law and Capital Market Law have not fully imposed in practice. Corporate crime in the capital market keep coming out every time in line with the weak implementation of sanctions to the people who committed a wrong doing.

Public trust is the most important thing in the capital market activity. Public trust is a thing that must be carried on and maintained through serious efforts with zero tolerance.

The obedience to carry out all law and regulations in the Capital Market in the framework of building a fair and efficient market must be in line with the effort to give right sanctions to people who damage the Capital Market integrity and investor trust.