

ABSTRACT

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“JURIDICAL REVIEW OF GOOD CORPORATE GOVERNANCE IN PUBLIC COMPANIES PURSUANT TO LAW NUMBER 40 OF 2007 ON LIMITED LIABILITY COMPANY AND LAW NUMBER 8 OF 1995 ON CAPITAL MARKET”

(ix + 118 pages)

*In 1998, Indonesia’s failure to prevent the effects of moral hazard on capital market practice has led to an impending recession. With the outbreak of the Corona Virus in early 2020, politicians and citizens have raised their concerns as the possibility of recession reignites. The considerable regulations for public companies to comply renders the implementation of Good Corporate Governance (GCG) difficult. Thus, this research focuses in explaining the fundamental things regarding this topic. The expected outcome of this paper is the attainment of GCG in a company by way of maintaining the shareholder’s trust with regard to the TARIF principle. Moreover, the analysis for the regulation on GCG aids as a reference for the parties involved in order for them to understand their rights. Such attempt may indirectly help to stabilize national economy in dire times. The research utilizes an analytical approach as a technique for normative research by analyzing the positive law on public companies based on several theories. Company Law establishes the role of the Board of Directors and Board of Commissioner as an organ, whereas the regulation on public companies under Capital Market Law specifies how the role is ideally exercised. With regard to responsibility, Company Law does not regulate any penalties if these organs fail to fulfill their duty. However, Capital Market Law has arranged administrative charges determined by OJK as a supervising institution for public company practices. Both regulations are complementary to each other where Company Law acts as a *lex generalis* and the Capital Market Law being placed as *lex specialis*.*

Keywords: Good Corporate Governance, limited liability company, public company, capital market

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