

ABSTRACT

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“LEGAL PROTECTION FOR INVESTORS OF PUMP AND DUMP PRACTICES IN THE INDONESIAN CAPITAL MARKET”

(xii+109 pages)

Indonesia is currently still classified as a developing country despite the fact that America has dropped Indonesia's status as a developing country from the World Trade Organization (WTO) list in 2020. Nonetheless, Indonesia is considered not yet qualified to be considered as a developed country. This is due to the fact that Indonesia still fails to meet several criteria that define a country as a developed one. Indonesia still has a long way to go before it can eventually be classified as a developed country. Economic development is one of the things that Indonesia still has to work on. A state requires a large sum of money in order to build the national economy. One source of revenue that can be used to offset these costs is through the capital market. However, current capital market crimes, such as market manipulation, are common. Pump and dump is one of the market manipulation practices that is common in the capital market, especially in the Indonesian capital market. The occurrence of this practice was also recognized by one of the Secretariat of the Financial Services Authority (OJK) Trial. According to some news, it was reported that there were stock suspensions in several companies due to unnatural stock price movements. Although it is not clearly stated that there is a pump and dump practice, this is a result of the practice, thus indicating that there is a potential for pump and dump practice to occur in the Indonesian capital market. Therefore, this study aims to find out and analyze how the OJK regulates the occurrence of pump and dump practices as well as to find out and analyze how legal protection for investors in pump and dump practices is. This research was conducted using a normative juridical method in which this study examines the laws that apply in society through a literature study. Furthermore, the results of this study indicate that the regulation regarding pump and dump practices is indeed not implied in the laws and regulations in Indonesia. However, the prohibition and legal protection for investors for this practice can be found in Law Number 8 of 1995 concerning the Capital Market, Law Number 21 of 2011 concerning the Financial Services Authority, as well as in several Financial Services Authority Regulations (POJK) and Indonesian Stock Exchange Regulations.

References: 41 (1945-2021)

Keywords: legal protection, investors, pump and dump, capital market.