

ABSTRACT

Master Amos Paradongan Sianturi (01051180077)

THE ROLE OF FINANCIAL SERVICES AUTHORITIES IN PROTECTING INVESTORS FROM INSIDER TRADING PRACTICES IN THE CAPITAL MARKET

(xi+93 pages)

Law Number 8 of 1995 concerning the Capital Market which is the legal basis for the existence of the capital market in Indonesia has provided legal guarantees and investor protection for parties conducting activities in the capital market sector. Chapter XI of Law Number 8 of 1995 concerning the Capital Market lists the types of Capital Market violations related to fraud, market manipulation, and insider trading. Insider trading is prohibited in Indonesia. According to the Capital Market Law, Insider Trading is securities trading by people who are categorized as company insiders. For this reason, in this article the author will examine the role of financial services authorities in protecting investors from insider trading practices in the capital market. This study uses a normative juridical method with collect library study data. The formulation of the problem in this research are; 1) What are the legal arrangements regarding insider trading in the capital market? 2) How is the implementation of capital market law in the role of the Financial Services Authority in protecting investors from insider trading practices in Indonesia? Based on the research results, it is known that: 1) The regulation of insider trading in the capital market is regulated in Law Number 8 of 1995 concerning the capital market, which contains administrative sanctions, criminal sanctions, civil sanctions and prohibitions related to the practice of insider trading in the capital market with the financial services authority as the party authorized to control, supervise against insider trading practices. 2) The financial services authority has the authority to protect investors by taking preventive and repressive actions in taking action against insider trading practices in the capital market and providing sanctions against insider trading practitioners in the Indonesian capital market. The suggestions that can be given are the need for laws and regulations that cover and reach a wider range of actions from criminals insider trading and coordinate, train, and collaborate with various agencies to improve the ability of investigators in proving practice insider trading.

Keywords: Legal protection, Financial Services Authority, Insider Trading, Capital market

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