



Application of Legal Sanctions Against Violations Carried out by fair investors in the Indonesian capital market

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Abstract: Implementation of legal sanctions against violations committed by investors in the Indonesian capital market. The purpose of this study is to impose sanctions on legal violations committed by investors in the capital market, with the following problems: 1) How is the construction of the application of legal sanctions against violations committed by investors in the capital market?; 2) How are efforts to increase the effectiveness of imposing sanctions against Capital Market Crimes in Indonesia when linked through Law Number 21 of 2011 concerning the Financial Services Authority? The research method used is Normative with a Legislative approach and a Conceptual Approach that utilizes Primary Legal Materials and secondary legal materials. The results of the discussion of the reconstruction of legal sanctions, in the form of additional prison terms and an increase in the amount of fines for violations committed by investors, are very necessary to strengthen its existence, so that it can create a healthy and attractive economic climate for other investors to invest in Indonesia. The sanctions are regulated normatively in Article 101 of Law Number 8 of 1995 concerning the Capital Market. The conclusion is that the application of these sanctions is carried out to create substantive justice so that it can create a healthy economic climate and attract investor interest.

Keywords: Application of Sanctions; Capital Markets; Investors

1. Introduction

Indonesia is categorized as a developed country in Southeast Asia with high economic growth compared to ASEAN countries (Khairunisa et al., 2022). Indonesia has a strong commitment to increasing income through the investment sector, both direct and indirect. One such investment, the capital market, is a type of investment that is highly sought after by investors, both Indonesian citizens and foreign citizens (Nadila et al., 2023). The capital market is a place where sellers and buyers meet, similar to traditional markets, which are conventional in nature in general, because sellers and buyers meet directly with their merchandise. However, what is traded in the capital market is capital or funds (Fadilla, 2018). Its function is as a means to connect parties who want to offer and need long-term funds in the form of securities. Simply put, the capital market is a meeting place between parties who have surplus funds and those who need funds through securities transactions (Ajizah & Nurdiansyah, 2024). Therefore, the capital market can also be described as a place to trade securities with maturities of more than one year, such as stocks and bonds (Khairandy, 2010). The capital market plays a significant role in the financial sector because it provides new options for investors to obtain additional financing sources. In addition, it also provides new options for individual investors to make investments (Tavinayati, 2009).

The responsibility of investors who have an obligation to protect consumers because if a dispute or default occurs in an agreement relationship that requires the investor to be responsible, in accordance with the principle of the privity of contract, if there is an agreement relationship then there is responsibility (Payuk et al., 2023).

Consumer Protection Law, in order to maintain the stability of the financial sector and protect consumers, the Indonesian government established the Financial Services

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Authority. Based on Law Number 21 of 2011 concerning the Financial Services Authority (Samsul, 2016). Financial Services Authority was established as an independent institution tasked with regulating and supervising all activities in the financial services sector, including supervising banking, insurance, capital markets, pension funds, and other financing institutions (Watu et al., 2024). The existence of the Financial Services Authority is expected to maintain the stability of the financial system, ensure the availability of protection for consumers, and encourage fair business practices in the financial services sector which aims to impose sanctions on legal violations committed by investors in the capital market (Azmi et al., 2025).

The term "fair investor" in this article refers to an investor who acts in accordance with capital market laws and ethics, while also observing obligations to other parties in transactions. This definition is important because it focuses the discussion on the application of appropriate legal sanctions against investors who commit violations and ensures that consumer protection and capital market stability are maintained. With this understanding, this article emphasizes the balance between investor compliance, law enforcement, and the principle of fairness in the Indonesian capital market.

The background explained above gives rise to the following problems: 1) How is the construction of the application of legal sanctions against violations committed by investors in the Indonesian capital market that are fair? ; 2) How are efforts in increase the effectiveness of imposing sanctions on Capital Market Crimes in Indonesia when linked to Law Number 21 of 2011 concerning the Financial Services Authority?

This research highlights specific gaps compared to previous studies regarding capital market law enforcement, administrative and criminal sanctions, and the role of the Financial Services Authority (OJK). Previous studies have largely addressed the general legal aspects of capital markets, but have not in-depth evaluated the reconstruction of sanctions that can be applied fairly to investors. Therefore, this article offers a novel analysis that integrates the principles of fairness, consumer protection, and the effectiveness of OJK regulations in the context of legal sanctions.

The research method of this article is This type of research is normative research, which aims to study and analyze laws and regulations and other regulations related to the above problems. The purpose of this article is to provide input to the government regarding legal sanctions against perpetrators of violations by investors in the Indonesian Capital Market so as to create healthy and fair investments.

2. Materials and Methods

The research method of this article is This type of research is normative research, which aims to study and analyze laws and regulations and other regulations related to the above problems. The approach methods applied in this study include the Statutory Approach and the Conceptual Approach (Suyanto, 2023) . The legal materials used in this study are as follows: Primary Legal Materials in the form of applicable laws and regulations, namely Law No. 8 of 1995 concerning Capital Markets and Law No. 21 of 2011 concerning the Financial Services Authority. Secondary Legal Materials are legal materials that provide explanations regarding primary legal materials, which include research results, textbooks, seminars, discussions, and news from the internet. The legal material collection technique used by the author in this study is a documentation study. The legal materials that have been collected in this study were then analyzed using the Qualitative Descriptive Analysis method

3. Results and Discussion

3.1. *Construction of the application of legal sanctions against violations committed by investors in the Indonesian capital market that is fair*

Legal construction is a method for rebuilding legal structures that are experiencing unclear norms or a lack of norms. The purpose of this legal construction is: to realize the basic values of law, namely justice, certainty, and the benefits of law (Juanda, 2017). Without legal construction, injustice can arise in society. The process of constructing law

requires systematic thinking, because it involves coherent, interrelated legal reasoning. Reconstruction is useful for rebuilding or restructuring ideas, concepts, or concepts regarding law (Susanto, 2019). According to Moertiyono, R. in the Political Dictionary, reconstruction is defined as returning something to its original place, reorganizing or depicting it from existing materials and reorganizing it as it was or as it was originally (Moertiyono, 2020). Reconstruction is reorganization as a process to rebuild something. In the legal context, what can be reconstructed are norms in laws and regulations as a result of the absence of norms and the ambiguity of norms.

Reconstruction of law or norms will be able to identify the legal will (*recht idee*), the will of society, and the moral will. The will of the law, both written and unwritten, leads to the achievement of three basic legal values: justice, certainty, and utility (Afdhali & Syahuri, 2023). The will of society leads to propriety or appropriateness in society, while the moral will leads to the implementation of good ethics in social interactions within the community. Furthermore, legal reconstruction is expected to create a just, responsive, and progressive *Ius Constituendum*. Just law means law that is able to provide what is due to every individual.

Construction of Legal Sanctions for Violations in the Indonesian Capital Market Responsive Law according to Nonet and Selznick states that responsive law functions as a means to respond to social provisions and public aspirations (Djauzie, 2025). Therefore, this type of law emphasizes accommodation to accept social change in order to achieve justice and public emancipation. This means that responsive law prioritizes legal conformity with public expectations, but this must be limited because public expectations are diverse. These limitations are based on three legal values, namely justice, certainty, and benefit. Progressive Law means law that leads to progress and sides with the interests of humanity, one of which is welfare (Al Arif, 2019). Reconstructing Law No. 8 of 1995 concerning the Capital Market is a step forward that is expected by progressive law.

A serious violation that occurs in the Capital Market is a misleading prospectus, often referred to as a prospectus containing misleading material facts (Effendi & Silalahi, 2024). This means that the prospectus contains incorrect information or does not meet the validity and accuracy of the information. In fact, according to Article 1 number 25 of Law No. 8 of 1995 concerning the Capital Market, Issuers or Public Companies, as well as other parties subject to the Capital Market Law, are required to inform the public in a timely manner regarding all material information about businesses or securities that may influence investor decisions regarding the securities and/or the price of the securities. Material facts in this context mean events, incidents, or facts that may affect the price of securities on the Stock Exchange and/or the decisions of investors, potential investors, or other parties interested in the information or facts.

Essentially, not all information can be conveyed to investors; the limitation is that the information provided must be information that influences the decision. Violations of the principle of transparency will be subject to administrative sanctions in accordance with the provisions stated in Government Regulation Number 45 of 1995 Article 63 Jo Article 64, namely: 1) A fine of five hundred thousand rupiah per day with a maximum limit of five hundred million rupiah; 2) A fine of one hundred thousand rupiah per day with a maximum limit of one hundred million rupiah; 3) A maximum fine of five hundred million rupiah; 4) A maximum fine of one hundred million rupiah. If analyzed more deeply, the application of these administrative sanctions has not been able to create justice for investors who are harmed, because the amount is too small. In fact, the amount of the fine should be increased to between 3 billion rupiah and 10 billion rupiah, so that parties who have the potential to commit violations in the Capital Market will think twice before committing such violations.

Administrative legal sanctions are regulated in Article 102 of Law No. 8 of 1995 concerning Capital Markets, which states that: Capital Market Supervisory Agency may impose administrative sanctions for violations of this Law and/or its implementing regulations committed by any party that obtains a permit, approval, or registration from Capital Market Supervisory Agency. Administrative sanctions as referred to in para-

graph (1) may be in the form of: a. written warning; b. fine, namely the obligation to pay a certain amount of money; c. restriction of business activities; d. freezing of business activities; e. revocation of business permit; f. cancellation of approval; and g. cancellation of registration. Based on the formulation of Article 102 of Law No. 8 of 1995 concerning Capital Markets above, in the reconstruction of the norm, it is necessary to add a formulation regarding "confiscation of business assets, both movable and immovable, within or outside the country" for Issuers or public Companies proven to have committed violations in the Capital Market sector that harm investors. This asset confiscation should be carried out by the OJK as a substitute for Capital Market Supervisory Agency in supervision and enforcement in the Capital Market.

Amendments to the legal sanctions in Law No. 8 of 1995 concerning Capital Markets are essential to strengthen the presence of capital markets in Indonesia and to create a healthy and growing economic climate. If capital market laws are not revised or updated promptly, the Indonesian economy will decline.

Furthermore, the application of the principle of transparency in trading in the Capital Market is also important to prevent fraudulent acts or violations, such as the validity or accuracy of information submitted by Issuers or Public Companies involved in trading in the Capital Market. Legal protection for Investors is also the main objective of the reconstruction of legal sanctions in Law No. 8 of 1995 concerning the Capital Market. Legal protection is the activities and efforts undertaken by individuals or groups to protect their rights from violations by other parties. Philipus M Hadjon classifies two forms of legal protection for the community based on the means used, namely preventive and repressive protection. Preventive protection means that the community is given the opportunity to express their opinions before the government's decision becomes final, in order to prevent disputes from occurring. Meanwhile, repressive protection aims to resolve disputes that have already occurred. Legal protection is a legal guarantee provided by the state to all related parties to exercise their legal rights and interests in their capacity as legal subjects (Wisudawan et al., 2023).

The reconstruction of the legal sanctions imposed on violations of transparency by issuers under Law No. 8 of 1995 concerning Capital Markets is part of the role of law in economic development. According to Erman Rajagukguk, there are three roles of law in economic development: stability, predictability, and justice. Therefore, legal reconstruction within legislation is essential, as law is not static but dynamic, ensuring substantive justice.

3.2 Efforts to Increase the Effectiveness of Imposing Sanctions on Capital Market Crimes in Indonesia when linked to Law Number 21 of 2011 concerning the Financial Services Authority

Effective law enforcement against capital market crimes in Indonesia is crucial for creating a safe, transparent, and integrated capital market. A healthy capital market will boost investor confidence, both domestic and international, which in turn will support national economic growth. However, capital market crimes such as market manipulation, insider trading, securities fraud, and disclosure violations often damage market integrity and reduce public confidence in it. Therefore, strategic steps need to be taken to increase the effectiveness of imposing law enforcement sanctions against capital market crimes in Indonesia, including: (Kumala et al., 2025) .

a. Increasing the Capacity and Competence of Law Enforcement Officers

Highly trained and competent law enforcement officers are essential to handle capital market crimes. Capital market crimes are highly complex and require a thorough understanding of market mechanisms, regulations, and appropriate investigative techniques.

a) Training and Continuing Education

Improving the capacity of law enforcement officials, such as judges, prosecutors, investigators, and lawyers, to understand the capital market is crucial. They must

undergo training that covers not only legal aspects but also market dynamics, the financial instruments involved, and the technology used in the capital market. This educational program must be implemented continuously, either through seminars, workshops, or special courses organized by the Financial Services Authority, the Indonesia Stock Exchange, or other educational institutions with expertise in the capital market.

- b) Collaboration with the Capital Market Supervisory Agency
Cooperation between law enforcement officials and supervisory agencies such as the Financial Services Authority and the Indonesia Stock Exchange. Supervision and investigation of capital market crimes require rapid and accurate access to transaction data, company financial information, and information related to market participants. Law enforcement officials should be involved in the investigation process from the outset and have direct access to relevant data and information.
- b. Improving Supervision and Monitoring of Capital Market (Mawei, 2016).
Strict oversight of capital market activities can help detect crime early and prevent greater losses. Advanced technology and information systems must be utilized to improve the effectiveness of capital market oversight.
 - a) Real-time Monitoring of Market Transactions
Real-time capital market surveillance is essential to detect potential market manipulation, insider trading, and other violations. Automated surveillance systems can continuously monitor stock trading and identify suspicious transactions, such as extremely large volumes in a short period of time or unusual trading patterns.
 - b) Utilization of Big Data Technology and Artificial Intelligence
With the advancement of technology, the Financial Services Authority and other market supervisory bodies can utilize big data and artificial intelligence to analyze vast amounts of market data. This technology can help detect suspicious transaction patterns and provide early warnings of potential criminal activity. Big data can also be used to analyze the relationships between various entities involved in the capital market, such as companies, major shareholders, and market participants, to identify potential material misuse of information.
- c. Imposition of sanctions through firm and transparent law enforcement (Novilia & Yusuf, 2024)
The imposition of sanctions on perpetrators of violations will be subject to strict and transparent sanctions which will create a deterrent effect for perpetrators of capital market crimes and increase investor confidence in the Indonesian capital market.
 - a) Fast and Efficient Legal Process
One of the challenges in enforcing the law against capital market crimes is the slow resolution of cases. Lengthy legal proceedings can reduce the effectiveness of law enforcement and tarnish the image of the capital market. Therefore, reforms to the judicial system are needed to expedite the resolution of cases, particularly those related to the capital market. This can be achieved by improving administrative efficiency and expediting the investigation process.
 - b) Sanctions that Provide a Deterrent Effect
Sanctions must be firm and commensurate with the severity of the violation. Harsher penalties, such as higher fines and longer prison sentences, can serve as a deterrent for perpetrators of capital market crimes. Furthermore, revoking the business licenses of companies involved in violations can be an effective measure to halt illegal activities and restore investor confidence.

- d. **Increasing Public and Investor Participation in Supervision**

Involving the public and investors in capital market supervision to create a more transparent and trustworthy supervisory system.

 - a) **Education and Socialization to Increase Public Awareness**

Ongoing education for the public, especially novice investors, regarding the importance of integrity and transparency in the capital markets is essential. The public needs to understand the various types of violations that may occur in the capital markets and how to report them. Education can be conducted through seminars, social media campaigns, or collaborations with universities and educational institutions.
 - b) **Encouraging Public Reporting of Crimes**

The public needs to be empowered to report crimes they encounter in the capital markets. This can be achieved by providing safe and accessible reporting channels, such as online reporting apps or dedicated hotlines. Furthermore, there needs to be protection for whistleblowers to prevent intimidation or threats.
- e. **Capital Market Regulation and Policy Reform (Siregar et al., 2025)**

Continuous regulatory changes in line with developments in capital markets and the technology used are crucial to avoid legal loopholes that can be exploited by criminals.

 - a) **Updates and Improvements to Capital Market Regulations**

Capital market regulations must be continually updated and adapted to the latest developments in global and domestic capital markets. For example, rules governing information disclosure by listed companies need to be tight-ened to prevent material information from being hidden from the public. Furthermore, stricter regulations are needed regarding insider trading, market manipulation, and other violations that often undermine capital market integrity.
 - b) **Improving Corporate Supervision Standards**

The Financial Services Authority and the Indonesian Stock Exchange must continue to improve their oversight standards for listed companies. This includes stricter oversight of companies' financial reports and compliance with applicable regulations. Furthermore, more in-depth audits of companies suspected of violations are necessary.
- f. **Strengthening the Role of Supervisory and Law Enforcement Institutions (Sutiyoso, 2011)**

Institutions with the authority to enforce capital market laws need to be strengthened so they can operate more effectively in facing increasingly complex challenges.

 - a) **Empowerment of the Indonesian Financial Services Authority and Stock Exchange**

The Financial Services Authority and the Indonesian Stock Exchange should be given more resources to strengthen oversight and enforcement. This includes training, technology, and increasing the number of trained personnel to handle capital market cases. The Financial Services Authority should be more proactive in supervising listed companies and ensuring they comply with all applicable regulations.
 - b) **Better Coordination Between Institutions**

Coordination between the Financial Services Authority, the Indonesia Stock Exchange, the Police, the Prosecutor's Office, and other relevant institutions needs to be strengthened. In many cases, capital market violations involve multiple parties with differing interests, so better coordination between law enforcement agencies is crucial to improving the effectiveness of case handling.
 - c) **Utilization of Technology for More Efficient Law Enforcement**

Technology can play an important role in increasing the effectiveness of law enforcement against capital market crimes.

- d) Utilizing Blockchain for Transaction Transparency
Blockchain can be used to ensure that transaction data in the capital markets cannot be manipulated. The use of this technology will help create a more transparent system and reduce the possibility of illegal activities in the capital markets.
- e) Automation of Surveillance and Investigation
data quickly and in-depth, the Financial Services Authority and the Indonesian Stock Exchange can conduct more effective oversight. For example, using AI to monitor suspicious transactions or unusual trading patterns can expedite the detection and investigation of capital market crimes.
- g. Strengthening the Role of Supervisory and Law Enforcement Institutions (Seac, 2022)
Institutions authorized to impose sanctions through capital market law enforcement need to be strengthened to operate more effectively in dealing with capital market disputes. This is a crucial element in achieving the goal of an efficient, fair, and orderly capital market. In carrying out its duties to enforce capital market regulations, the Capital Market and Financial Institutions Supervisory Agency has various authorities, including as an appeals body, auditor, investigator, and as a means of resolving losses arising from violations of capital market laws. Furthermore, this institution can also function as a mediator in disputes between stock exchange members.
- Constitution Law No. 8 of 1995 concerning Capital Markets clearly stipulates the requirements and sanctions for capital market players, both professionals and supporting professions, securities companies, self-regulatory organizations (Stock Exchanges, Clearing and Guarantee Institutions, Depository and Settlement Institutions), and issuers. It is hoped that law enforcement in the capital market can further demonstrate its authority and thus create a high level of trust among investors. In the implementation of the capital market, law enforcement is crucial to provide confidence to investors in conducting their businesses.
- In accordance with the provisions contained in Article 100 of the Capital Market Law, the Capital Market Supervisory Agency has the authority to conduct investigations into any individual or entity suspected of committing or being involved in violations of the Capital Market Law and its implementing regulations.
- the authority granted by Law No. 8 of 1995 concerning the Capital Market. This repressive supervision is further explained in Government Regulation No. 46 concerning Procedures for Inspections in the Capital Market. Given the enormous responsibility in enforcing the law in the market, the Capital Market Supervisory Agency has established a Task Force through the Inspection and Investigation Bureau. With this bureau, fraudulent practices carried out by Securities Trading Brokers, company employees, or other parties that disrupt the interests of investors and threaten the integrity of the capital market as a whole will face maximum law enforcement efforts. Market players involved in practices that provide misleading information, fraud, market manipulation, and insider trading or variations of these crimes, as well as other fraudulent practices, will be subject to sanctions in the form of fines and imprisonment. In this case, the Capital Market Supervisory Agency is authorized to collect data, information, and/or other information needed as evidence of violations of capital market laws and regulations. The Capital Market Supervisory Agency has a very important role and authority that has been regulated by the laws and regulations applicable in the capital market (Prana, 2018).
- In order to carry out inspections as regulated in Article 100 paragraph (1) of Law No. 8 of 1995, Ba and the Capital Market Supervisory Agency have the authority to: (a) Request information and/or confirmation from parties suspected of committing or being involved in violations of this Law and/or its implementing regulations, or other parties if deemed necessary; (b) Require parties suspected of committing or being involved in violations of this Law and/or its implementing regulations to carry out or not carry out certain activities; (c) Examine and/or make copies of records, bookkeeping and/or other

documents, whether owned by the party suspected of committing or being involved in a violation of this Law and/or its implementing regulations or owned by another party if deemed necessary; and/or. (d) Establish conditions and/or grant permission to parties suspected of committing or being involved in violations of this Law and/or its implementing regulations to carry out certain actions necessary to resolve the losses incurred.

Provision number 1 of Regulation Number IX.E.2 states that a Material Transaction is any purchase, sale, or participation in shares, and/or purchase, sale, transfer, exchange of assets or business segments, the value of which is equal to or greater than one of the following: (a) 10% (ten percent) of the company's revenues; or, (b) 20% (twenty percent) of equity.

Bonds are medium- to long-term, transferable debt instruments containing a promise from the issuer to pay interest over a specified period and repay the principal at a specified time to the purchaser of the bond. Bonds come in various types, depending on the interest payment system. Zero Coupon Bonds are bonds that do not make periodic interest payments. However, the interest and principal are paid in one lump sum at maturity. Receipts of Zero Coupon Bonds are included in the purchase of assets in the non-current asset category, which are other long-term investments. Other long-term investments are investments intended to be held by the company for more than 12 (twelve) months. These investments can include investments in debt and equity securities, investments in property, and other investments.

Provision number 2 of Regulation Number IX.E.2 states that Material Transactions carried out by Issuers or Public Companies must first obtain approval from the General Meeting of Shareholders in accordance with the procedures and requirements set out in this regulation.

The Capital Market Supervisory Agency, in exercising its authority under the Capital Market Law, has a position as part of the Ministry of Finance. Article 3 paragraph (2) emphasizes that Capital Market Supervisory Agency is under and responsible to the Minister. The Minister referred to in Article 3 paragraph (2) is the Minister of Finance, who based on Article 2 of the Capital Market Law is given the authority to determine general policies in the capital market sector, namely policies that are directly or indirectly related to fiscal, monetary, and general economic policies. The Capital Market structure has been regulated by the Capital Market Law. Based on this, policies in the Capital Market sector are in line with efforts to prevent these perpetrators from remaining at large and provide shock therapy to the market, so the integrity of the bureau and investigators of the Capital Market Supervisory Agency who carry out important tasks in maintaining legal authority must be maintained. In addition, the imposition of sanctions that can instill fear in those who attempt to carry out the above practices is also very necessary.

Considering the scope of the crime and the possibility of attempts that could cause the perpetrator to escape capital market supervision, harmonious and efficient cooperation and coordination with other law enforcement agencies, such as the Police and the Prosecutor's Office, will be able to close the perpetrator's room for movement more effectively. Legal compliance by market participants is key to upholding the Rules of the Game, which uphold the principles of transparency, fairness, and efficiency. As we approach the challenging year of 1998, the capital market is expected to seize this opportunity to reformulate the provisions and regulations governing market participant activities based on capital market law.

Capital Market Supervision in Indonesia After the Establishment Financial Services Authority. The position of this Financial Services Authority Regulation is equivalent to the position of Bank Indonesia Regulation, which is based on Law No. 6 of 2009 concerning the Determination of Government Regulation in Lieu of Law No. 2 of 2008 into Law, formulated in Article 1 number 8, which states that "Bank Indonesia Regulations are legal provisions stipulated by Bank Indonesia and are binding on every individual or body and are contained in the State Gazette of the Republic of Indonesia."

Since December 31, 2012, the functions, duties, and authorities in regulating and supervising financial services activities in the capital market, insurance, pension fund, and financial reporting sectors have been transferred to the Financial Services Authority (OJK). The formation of laws produces quality laws, which can be formulated based on three foundations, namely: first, the legal basis; second, the sociological basis; and third, the philosophical basis. These three foundational elements in the formation of laws are very important so that the resulting law has legally valid rules and can be effectively applied, because it can or will be accepted by the public fairly, and applies in the long term.

Discussion on the impact of the establishment of the Financial Services Authority on the financial services sector, including the capital market, is a topic that has attracted public attention since the emergence of discourse on the establishment of a single supervisory agency for the financial services sector some time ago. The transfer of duties, functions, and authority in the regulation and supervision of the capital market sector and other financial services institutions to the Financial Services Authority is a legal implication of the enactment of Law No. 21 of 2011 concerning the Financial Services Authority. Normatively, with the transfer of functions, duties, and authority in the regulation and supervision of the capital market sector from the Capital Market Supervisory Agency to the Financial Services Authority, all authorities previously held by the Capital Market Supervisory Agency under Law No. 8 of 1995 concerning the Capital Market will be transferred to the authority of the Financial Services Authority (Sambuaga, 2016). This transfer of authority includes:

- a. Provide:
 - a) Business permits for Stock Exchanges, Clearing and Guarantee Institutions, Depository and Settlement Institutions, Mutual Funds, Securities Companies, Investment Advisors, and Securities Administration Bureaus;
 - b) Permission for individuals to be Underwriter Representatives, Broker-Dealer Representatives, and Investment Manager Representatives; and - Approval for Custodian Banks.
 - c) Requires registration of capital market supporting professions and Trustees;
 - d) Establishing the requirements and procedures for nominating and temporarily dismissing commissioners and/or directors, as well as temporarily appointing the management of the Stock Exchange, Clearing and Guarantee Institution, and Depository and Settlement Institution until new commissioners and/or directors are elected;
 - e) Establishing the requirements and procedures for registration statements and declaring, suspending, or canceling the effectiveness of Registration Statements;
 - f) Conducting inspections and investigations of any party if an event occurs which is suspected to be a violation of Law No. 8 of 1995 concerning Capital Markets in its implementation;
- b. Requires each party to:
 - a) Stop or correct advertising or promotions related to capital market activities; or
 - b) Take the necessary steps to address the impacts arising from such advertising or promotions.
 - c) issuer or public company that has or is required to submit a Registration Statement to the Capital Market Supervisory Agency ; Parties that are required to have a business license, individual license, approval, or professional registration in accordance with Law No. 8 of 1995 concerning the Capital Market.
 - d) Appoint another party to carry out certain inspections in the context of implementing supervisory authority as stated in letter g;

- e) Freezing or canceling the listing of a security on the Stock Exchange or stopping stock exchange transactions on certain securities for a certain period of time to protect the interests of investors;
- f) Stopping Stock Exchange trading activities for a certain period of time in an emergency;
- g) Submitting objections submitted by parties subject to sanctions by the Stock Exchange, Clearing and Guarantee Institution, Depository and Settlement Institution and providing decisions to cancel or confirm the imposition of such sanctions;
- h) Determine licensing, approval, registration, inspection and research fees and other fees for capital market activities;
- i) Taking necessary actions to prevent public losses due to violations in the capital market sector;
- j) Provide further technical explanations regarding Law No. 8 of 1995 concerning Capital Markets or its implementing regulations ;
- k) Determine other instruments as securities other than those specified in Article 1 number 5; and

Doing other things permitted under Law No. 8 of 1995 concerning Capital Markets..

4. Conclusions

Reforms through the reconstruction of legal sanctions for violations of transparency in the Capital Market are essential to strengthening the presence of the Capital Market in Indonesia, thereby creating a healthy economic climate and attracting investors to invest in the Indonesian Capital Market. Furthermore, norm reconstruction activities, particularly those related to the application of sanctions for transparency in the Capital Market, also contribute to legal development by creating legal norms that align with the basic values of law, namely justice, certainty, and benefit.

Imposing sanctions through effective law enforcement against capital market crimes in Indonesia requires a comprehensive approach, involving increased capacity of law enforcement officials, stricter, technology-based oversight, and regulatory reforms that adapt to market developments. With these efforts, it is hoped that Indonesia's capital market will develop more healthily, transparently, and reliably, which in turn will stimulate economic growth and increase investor confidence.

Sebagai agenda penelitian lanjutan, artikel ini merekomendasikan dilakukan studi empiris mengenai efektivitas penerapan sanksi hukum di pasar modal, termasuk analisis kasus-kasus pelanggaran investor dan dampaknya terhadap stabilitas pasar. Penelitian lanjutan ini dapat memperkuat dasar kebijakan rekonstruksi sanksi dengan memberikan data empiris yang mendukung penyesuaian regulasi, sehingga sanksi yang diterapkan lebih tepat sasaran dan berkeadilan.

Kontribusi spesifik artikel ini terhadap pengembangan hukum ekonomi dan hukum pasar modal di Indonesia terletak pada penawaran rekonstruksi sanksi yang mengintegrasikan prinsip keadilan, kepastian hukum, dan kemanfaatan bagi pelaku pasar dan konsumen. Dengan menyajikan kerangka normatif yang berorientasi pada praktik, artikel ini tidak hanya meninjau regulasi yang ada, tetapi juga memberikan nilai tambah konseptual bagi akademisi, regulator, dan pembuat kebijakan untuk memperkuat tata kelola pasar modal yang sehat dan berkeadilan.

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