JURNAL KOMUNIKASI HUKUM
Volume 8 Nomor 1, Februari 2022
P-ISSN: 2356-4164, E-ISSN: 2407-4276
Open Access at : https://ejournal.undiksha.ac.id/index.php/jkh
Program Studi Ilmu Hukum
Fakultas Hukum dan Ilmu Sosial
Universitas Pendidikan Ganesha Singaraja

MARKET MANIPULATION ON THE INDONESIAN STOCK EXCHANGE BY MARKET MAKER: INVESTOR PROTECTION?

Edson Jonkarlo, Lu Sudirman, Hari Sutra Disemadi

Universitas Internasional Batam, Indonesia
E-mail: 1851077.edson@uib.edu, dirman_lu@yahoo.com , hari@uib.ac.id

Info Artikel

Masuk: 1 Desember 2021
Diterima: 12 Januari 2022
Terbit: 1 Februari 2022

Keywords:
Market Maker, Legal Protection, Stock Exchange

Abstract

Nowadays, the role of Market Maker is useful for creating liquidity in trade transactions which are regulated in accordance with the policies of each country. Transactions that usually occur on the stock exchange, both on the Indonesian stock exchange and on other stock exchanges, not all transactions are purely carried out by investors or traders. It could be said, there is a kind of transaction carried out by a handful of people for other reasons or interests, other than simply selling or buying shares. This study aims to determine how the Market Maker in influencing a stock price and the form of protection provided to investors. The research method used is a type of normative legal research that uses secondary data or library materials. Based on the research, the Market Maker has three stages of work, namely the stages of accumulation, participation and distribution in which the legal protection for investors is stated in the Capital Market Act No. 8 of 1995 which is in accordance with the theory of legal protection.

Kata kunci:
Bursa Efek, Market Maker, Perlindungan Hukum

Corresponding Author:
Edson Jonkarlo

Abstrak

Dewasa ini, peran Market Maker sangatlah penting bagi terciptanya likuiditas dalam transaksi perdagangan yang diatur sesuai dengan kebijakan masing-masing negara. Transaksi yang biasa terjadi di bursa efek, baik itu di bursa saham Indonesia atau di bursa efek lainnya, tidak semua transaksi tersebut murni dilakukan oleh investor ataupun trader. Bisa dikatakan, ada semacam transaksi yang dilancarkan oleh segelintir orang dengan alasan atau kepentingan lain, selain hanya sekedar menjual atau membeli saham. Penelitian ini bertujuan untuk mengetahui bagaimana cara Market Maker dalam mempengaruhi suatu harga saham serta bentuk perlindungan yang akan didapatkan investor. Metode penelitian yang digunakan merupakan jenis penelitian hukum normatif yang menggunakan data sekunder atau bahan pustaka. Berdasarkan hasil penelitian, Market Maker memiliki tiga tahapan tahapan kerja yaitu tahapan akumulasi, partisipasi dan distribusi yang dimana perlindungan hukum terhadap investor yang tercantum dalam Undang-Undang Pasar Modal No. 8 Tahun 1995 yang dimana telah sesuai dengan teori perlindungan hukum.

PENDAHULUAN

Indonesia is a developing country whose progress is increasing in various aspects, specifically in the field of capital markets. The capital market plays an important role in the country's economy because it has two functions, namely economic and financial functions (Muklis, 2016). The capital market is a state financial institution whose activities regulate matters regarding the supply and trading of securities (Muharam, 2018). The capital market acts as a means to find assets for companies and acts as a place for the public to invest (Harjono, 2007). Offering transactions in securities trading from issuers to the general public as investors who are guaranteed and are under a legal law that maintains transparency standards (Nasution, 2001). The capital market is a place, especially for all elements to sell shares and bonds with the aim that the sales proceeds will be used as additional funds in the future in the short or long term (Senna, 2020) Some people think that the capital market is a complement to institutions in other financial sectors, namely banks and financial institutions (Usman, 1989).

Article 1 of the 1995 Law Number 8 concerning the Capital Market (hereinafter referred to as the Capital Market Act) provides a more explicit definition of the capital market, namely, "An activity related to public offerings and securities trading, public companies relating to the securities issued, and securities-related institutions and professions". Market makers in the stock market are associations or organization, where they have adequate assets, which can be used to control various parts of the organization circulating in the market, so that they have adequate capacity to regulate prices through supply and demand in a stock market. From this clarification, it is very possible that the bookie is basically the individual who "manages" the price of a stock price. The dealer is also the one who can make the stock price very low or very high. Market maker plays an important role in price formation, but their behavior and stabilizing impact on the market is relatively unclear, especially in speculative markets (Zhu, Chiarella, He & Wang, 2009).

Market maker will not be spared from the term stock frying because that is the job of a market maker. Market makers are those who maliciously pump or dump stocks to exploit investors. In addition, pump and dump activities themselves are included in the category of fraud and can be prosecuted. Market manipulation is described in Article 11 of the Capital Market Act. Market maker carry out their actions by looking for stock prices that tend to be cheaper, even illiquid stocks or even dead stocks. Generally, low-valued stock prices will be very easy to target by market makers. In the capital market, the most important thing that investors should know is the stock price. A stock price is the price of a stock that occurs on the stock market at a particular moment determined by market participants and determined by the demand and supply of the stock in question in the capital market (Hartono, 2008). The stock price determines the wealth of shareholders. Maximization of shareholder wealth translates into maximizing the company's share price. The stock price at any given time will depend on the cash flow expected to be received in the future by the "average" investor if the investor buys the stock (Eugene, Houston & Yulianto, 2010). When a stock price rises and the price is considered not low anymore, it can make the public who already have the desire to get the desired shares is not easy and it causes the market to react due to differences in stock prices, even though the value of the stock's financial performance is good, but there are no mistakes allowed by a shareholder (Trisnawati, 2017). The definition of share ownership is also interpreted as evidence of ownership of shares or currency of the company, this can be indicated by the type of valuation, company name, and rights and obligations determined by each investor in the capital market (Fahmi, 2015). Because capital market activity is so vast and complex, it is extraordinary to need legal means to supervise it so that the market becomes regular, fair and so on. In this way, the so-called law of the capital market was born. Legal and regulatory action is needed because the growth rate of the economy and capital markets is growing rapidly and the demand for strong capital markets can lead to international competition, especially in regional regions. Economic growth is highly dependent on the level of investment in a country, where the higher the investment the higher the rate of economic growth (Khairandy, 2006). The Law of Demand and Supply is a form of success in influencing a capital market (Rokhmatussa'dyah & Suratman, 2009).

Capital Market plays a crucial role in the country's economy because it has two functions. One of them is to be a way for businesses to raise money, and a way for companies to earn money from the investor community. Funds collected in the capital market can be used for business development, expansion, additional working capital. Both capital markets are a means to invest in financial instruments such as stocks, bonds and mutual funds. In this way, citizens can invest according to the risk characteristics of each product (Herlianto, 2010). Before investing, investors who want to start a business must first know the conditions that will be faced. Investors must be equipped with various analyses to support their investments to minimize losses and investors invest to get a return on their investments. Capital Markets or stock exchanges in the traditional sense are characterized as areas of business of stock exchanges, stock certificates, and securities or bonds (Gisymar, 1999). They can make a profit in any state under any circumstances because they know where they will buy and sell the shares they own. Due to the limitations of technology and basic analysis, it makes many things experienced investors try to make other types of analysis. This analysis is usually called belt gun analysis, this type of analysis differs through basic analysis and technical analysis. This science is a science that does not focus on the price or condition of the company but on the transactions that occur.

The advantages of bandarmology analysis compared to basic analysis and data analysis more practically provide real-time analysis of transactions that occur. This makes belt gun science analysis more effective and efficient for investors to use. The principle of bandarmology analysis will follow a person or institution with capital to move shares. Investors who use bandarmology analysis make a stock price can be controlled by large companies or stock traders. The informational individual or organization that can move a stock is considered to have such information the best and most planned strategy and strength of price fluctuations. Market maker means a person or institution that can set prices at any given time. Pricing for profit is usually called the process of accumulation and distribution (Filbert, 2014). Therefore, it should be done by individual investors who only follow what they do because their actions are believed to reflect technical analysis and fundamental analysis of stocks (Karo, 2015).

Market experts have long predicted it by considering the articles of market control in the Capital Market Act, especially in Articles 91 and 92. These guidelines generally state that any meeting is forbidden to take. A move, indirectly or in implication, with the aim of creating a false or deceptive picture in a trade transaction, economic situation, or protection fee on stock trading; increase protection costs that should not rise, lower the value that should not fall, or in any case, maintain the price of an effect even. In accordance with this study, some references are taken from previous research to compare the results of the resulting research. One of them is about internal and external variables that affect changes in stock prices. The purpose of the study was to inform investors about the elements that might affect stock prices before they buy shares. Based on previous research, there are various variables that interest people to buy a stock (Oktavia & Nugraha, 2018). Furthermore, for research entitled legal protection for investors in the capital market. This journal describes consumer protection for financial institution customers. This research explains how the role of Indonesian Financial Services Authority (*Otoritas Jasa Keuangan/OJK*) as a capital market supervisory body performs its duties properly and correctly and also discusses how to protect investors from losses (Dimyati, 2014). This research focuses on how Market Maker affects stock prices as well as to find out the form of protection for investors against capital market manipulation on the Indonesian Stock Exchange. This article will discuss two subjects, namely the role of market maker to significantly affect stock prices on the Indonesian Stock Exchange, and the form of protection against investors against capital market manipulation on the Indonesian Stock Exchange.

A. Research Methods

The type of research used is doctrinal research or normative legal research. This study is a documentary study that uses legal data in the form of laws and regulations, court decisions, legal theories, and the opinions of previous researchers. This research is also referred to as doctrinal legal research known as literature studies (Soemitro, 1999). This study is called a doctrinal study because it is conducted or directed only against written laws or legal sources. Because this research is more done on secondary data in the library, it is therefore called library study or document study. The analytical techniques used in this study use qualitative descriptive techniques that fall into the type of normative legal research that is useful in studying life, history, human behavior, organizational functions, social activities, and other factors (Rahmat, 2009). To study the functionalization of networks, qualitative methods are used to analyze research data that is used from secondary sources with literature studies.

B. Research Result And Discussion

1. The Role of Market Maker in the Indonesian Stock Exchange

Market Maker will not be able to avoid the term stock pumping because it is the job of a market maker. Market makers are those who maliciously pump or dispose of stocks to exploit investors. In addition, pump and dump activities themselves fall into the category of fraud and can be prosecuted. Market manipulation is described in Article 11 of Capital Market Act. Market Maker carries out its action by looking for stock prices that tend to be cheaper (less than Rp. 2,000), even illiquid stocks or even dead stocks. Usually the stock price of Rp.50 is very easy to targeted by market makers. Market makers will review or delay plans to fry the stock, if interest from retailers is low. Next the market maker will slowly try to raise prices. For example, the market maker will start raising shares from the price of Rp. 100, first the price will be raised gradually from Rp.101 to Rp.105. Then the shares will be sold again at Rp. 105. That is, if there are retail or other investors making sales at Rp. 105, the market maker can get it back at a low price and the action will be done continuously. In this way, as if – this stock price will continue to be maintained by the market maker. In fact, if the market maker slowly raises the price, they already have a majority stake at a cheap price of Rp. 100 - Rp. 101. Therefore, the market maker will try to keep the stock price from falling again and if it is felt safe, the stock price will immediately increase drastically.

Liquidity in the capital market can be described through the measurement of liquidity from stocks that are actively traded or traded (Chandra, 2015). This is why illiquid stocks can grow as much as 20% in one day, even up to a few days. If a market maker feels the stock price has gone up, they will carry out a massive sell-off suddenly that causes the stock price to fall sharply in an instant, until it plummets by 20% in one day. This pattern of market maker games can be run for weeks or weeks - months to attract retailers in raising stock prices. Therefore, it can be concluded that the market maker has extraordinary patience, good resources, and intelligence. When jumping into fried stock, do not fight the flow with market makers or store fried stock for a long time. Since the outbreak of the capital market crisis on October 19, 1987 that shook the world, capital market regulators have begun to consider circuit breaker functions to prevent excessive price fluctuations and protect capital markets (Rita & Tandelilin, 2007). Circuit Breaker is also called auto rejection consisting of *ARA* (*Auto Rejection Atas*) and *ARB* (*Auto Rejection Bawah*) on the Indonesian Stock Exchange. Automatic rejection is a policy that determines the upper or lower limits of stock price fluctuations over a period of time.

As is known, when they want to invest, investors find a variety of foreign languages, one of which is *ARA* and *ARB*. Investors must know the provisions of *ARA* and *ARB* if they want to invest shares in the Indonesia Stock Exchange. The share price range of Rp50-Rp200 will be subject to auto reject in the event of a 35% increase or 7% share price in one day. All of that is based on *Peraturan No. II-A Perdagangan Efek Bersifat Ekuitas Surat Keputusan Direksi* No: KEP-00025/BEI/03-2020. The auto rejection system is established by the *BEI (Bursa Efek Indonesia)* as a step to organize a securities trading system on an exchange that is regular, reasonable and efficient (Syarief & Junaidi, 2021).

Table 1.1 Limits on Rise and Fall in Stock Prices

REFERENCE PRICE	*AUTO REJECTION ATAS*	*AUTO REJECTION BAWAH*
Rp. 50 - Rp. 200	>35%	<Rp.50 or <7%
Rp. 200 - Rp. 500	>25%	<7%
>Rp. 5000	>20%	<7%

Source : *Keputusan Direksi Bursa Efek* (2020)

In an emergency or more precisely the current pandemic due to COVID-19 which almost affects all activities of the world community both political, social, cultural and economic conditions. One of the drivers of the national economy is the Islamic capital market that experienced shocks or the influence of this pandemic so that all activities in the Islamic capital market changed either from policies or provisions such as Islamic capital markets trading halt, changes in exchange trading hours, changes to the auto rejection system, decreases or the value of *IHSG* weakened in some time, namely below 5% but there are still some new public companies that are listed on the exchange (Selasi, 2020). With the provisions of the decision of the directors of the Stock Exchange, it will make investors feel more safe and comfortable in trading because of the maximum limit of the rise or fall of a stock.

2. Stages of Market Maker in Influencing Stock Prices on the Indonesia Stock Exchange

Market Maker has three stages of work, namely the stages of accumulation, participation and distribution. The three stages in determining trading volume apply not only to stocks with small capitalization, but to medium to large-cap stocks (Sitinjak, Warastuti & Sulistyanto, 2014). A change in trading volume in a better direction means showing signs of market optimism, whereas a decline in trading volume shows a sign of market pessimism (Catranti, 2009). In the main stage, namely accumulation, market maker will take advantage of a condition to make a stock purchase. Usually, the price on the stock is still cheap and not widely known to people. Then proceed to the collection stage, which is the cycle where then the value of the stock begins to rise because it continues to be purchased. At the accumulation stage, the community begins to follow and buy the offer or commonly called the participation phase. In this participation cycle, there will be investors who continue to buy in bulk. That's when market makers will start taking profits suddenly or so-called distribution phases. For a more detailed explanation, it will be explained below:

First**,** Accumulation Phase**.** The accumulation phase is the phase in which the bookie or market maker begins to collect ownership of its shares. The duration of the accumulation phase varies, ranging from daily to weekly and several months. During the accumulation phase, the trading volume of a stock usually continues to increase, although it is usually not very significant. In some cases, even the accumulation process continues to be carried out by the market maker, even though the stock price is falling. Holding the stock price during the accumulation process is to allow the market maker to take the stock at a lower price. Although not infrequently, the accumulation process supported by the emergence of negative news, findings and negative views about a stock facilitates the market maker where it will increase retail desire to sell shares and make it easier for the market maker to accumulate even though the price is falling.

Second**,** Frying Phase**.** Once the accumulation phase is complete, it is further referred to as the Frying phase. Generally, in general terms, it is sometimes called "markup". In this phase, the market maker usually continues to buy, but the price is allowed to rise continuously because the goal is to raise the stock price to a certain level. Bookmakers need retail help to drive up stock prices. Therefore, it takes an increase in purchasing power from the demand side. Increased demand is usually achieved through positive news about market share, reminders of publishers' "beautiful plans,"a positive outlook, and the publication of attractive price targets.

Third**,** Distribution Phase**.** Once the price increase has occurred and the target has been reached, it's time for the sale to start. In this phase, the market maker gradually began to distribute the ownership of its shares to the market. In the early stages of distribution, shares are sold little by little regardless of market response. As a result, prices continue to rise which in the middle phase, price increases are generally stagnant and tend to slow because market maker sales begin to exceed demand from retail. At this stage it is also very crucial for the market maker to delay the price so as not to fall too deeply before the distribution is completed. If the price appears to decrease before the distribution is completed, the market maker may be able to buy again to increase the price and increase the pleasure of retail. After the sale is believed to have been sufficient, the sales process goes into the final stage, where the sales volume increases and prices also continue to be suppressed.

3. Form of Protection Against Investors for Market Manipulation on the Indonesian Stock Exchange

Capital Market plays a crucial role in the country's economy because it has two functions. One of them is to be a way for investors to raise money and a way for companies to earn money from the investor community. Funds raised in the capital market can be used for business development, expansion, and additional working capital. Both capital markets are a means to invest in financial instruments such as stocks, bonds and mutual funds. The development of the investment climate in Indonesia has not shown any significant improvement or development even though Indonesia basically has great potential to carry out investment activities (Kurniawan, Dewi & Iswanto, 2019). Investment in Indonesia itself has started to gain popularity from any circle even at the student level (Nisa, 2017).

The prohibition of capital market manipulation in Indonesia is stipulated in Article 91 of the Capital Market Act which state, "each party is prohibited from taking action, either directly or indirectly, with the aim of creating a pseudo or misleading picture of trading activities, market circumstances, or the price of securities on the stock exchange". As explained in the explanation of Article 91 of Capital Market Act, investors actually need facts about trading activity, market conditions, or the impact of prices on exchanges, which is reflected in the strength of selling and buying offers as the basis for investment decisions. This section regulates, among other things, any activities that may deceive the public about trading activities, market circumstances, or the price of securities, such as conducting securities transactions that do not result in changes in ownership or offers to buy or sell shares. At a price, both parties collude by proposing to buy or sell the same security at the same price.

In addition, Article 92 of the Capital Market Act states, "each party, either alone or together with the other party, is prohibited from conducting two or more securities transactions, either directly or indirectly, thus causing the price of securities on the Stock Exchange to remain, rise or fall with the aim of influencing the other Party to buy, sell or hold the securities". Capital markets are very complex business activities with economic and legal challenges. The complexity of the problems in the capital market stems from the many competition interests and the number of trading targets that must be considered by various parties. So much interest in the capital market makes the legal part very important need to regulate the capital market mechanism so that elements of order, justice and legal certainty can be achieved in the capital market business.

Legal protection for investors requires the impartial application of the principle of openness or full transparency. The principle of full disclosure is the complete and thorough disclosure of company data regarding financial, management, information to the general public. This action is necessary to provide information to the public about the valuation of securities, and sales issued by the company (Putralie, Syahputra & Zul, 2011). The protection of this rule is crucial because it involves quite a number of parties according to investors who need the supervision of the public authority, namely *BAPEPAM* (*Badan Pelaksana Pasar Modal*), which is currently Indonesian Financial Services Authority. This institution is a fortress as well as the spearhead of the enforcement of capital market legitimacy. Meanwhile, the implementation of Indonesian Financial Services Authority into a supervisory forum can be done carefully, namely in the form of rules, guidelines, and supervision. As for repressive, it can use the examination, investigation and application of sanctions (Fadlia & Yunanto, 2015).

In addition, one form of protection for investors is with *BAPEPAM* which monitors transactions in the capital market. Supervision of transactions in the capital market is regulated in Article 3 paragraph (1) of the Capital Market Act, namely, "the construction, regulation, and day-to-day supervision of capital market activities carried out by the Capital Market Supervisory Agency hereinafter referred to as *Bapepam*". *BAPEPAM* as stipulated in the Capital Market Act is to have jurisdiction in accordance with the standards and principles of the Global Capital Market Act. *BAPEPAM* has three main functions, namely providing coaching, regulation and supervision to facilitate the achievement of statutory goals, namely creating an orderly, fair and efficient capital market, and providing protection to investors, both as a precaution in the form of rules, guidelines, and directives, as well as repressive measures in the form of review, investigation, and review.

BAPEPAM in carrying out the supervisory duties described in more detail in Article 7 paragraph 2, namely, "in order to achieve the objectives referred to in paragraph (1), the stock exchange shall provide supporting facilities and supervise the activities of stock exchange members." The emergence of Indonesian Financial Services Authority makes the responsibility of monitoring shift from Bapepam to Indonesian Financial Services Authority. The transfer of supervisory functions is explained in Article 6 letter B Number 21 of 2011 concerning the Indonesian Financial Services Authority Act (hereinafter referred to as the Indonesian Financial Services Authority Act), namely, "Indonesian Financial Services Authority performs regulatory and supervisory duties on financial services activities in the capital market sector...". Indonesian Financial Services Authority as the supervisor of activities in the capital market should be able to strictly regulate the online trading system. For example, by setting a minimum balance that is feasible to be able to invest in stocks, so that retail investors who invest in the capital market are not just any investors (Nilasari, 2011). The goal is to prevent problems that will arise in the future. This is contained in the law to prevent violations and it is useful to put a sign or restriction in carrying out obligations. Preventive rule protection is crucial for government discretionary measures where there is protection of preventive rules, the government must be careful in creating discretionary decisions. Public registration statement made by the issuer to fulfill its obligations as a form of requirement that must be fulfilled in the form of a set of disclosure procedures under applicable law, namely the Capital Markets Act.

Specifically, the role of Indonesian Financial Services Authority in overcoming market manipulation practices that harm and disrupt investors is: 1) Inform and educate the public/investors about fundraising and management of illicit investments specifically. Share knowledge with law enforcement and regulators in repressive areas; and 2) Facilitate coordination efforts between relevant departments to speed up the process of handling alleged illicit financing and investment management activities, or through cooperation between task forces better known as *Satgas Waspada Investasi* (OJK, 2011). In other words, in the form of considering, investigating, and imposing sanctions. In the event of violations in the field of capital markets, Indonesian Financial Services Authority is authorized to conduct examinations and investigations in accordance with Article 9 letter C of the Indonesian Financial Services Authority Act namely, "... To perform supervisory duties as referred to in article 6, Indonesian Financial Services Authority has the authority to conduct supervision, examination, investigation, consumer protection, and other actions against financial services institutions, actors, and/or supporting financial services activities as referred to in the laws and regulations of the financial services sector".

By referring to these articles, as a shareholder, an investor has the right to demand civil liability to the board of directors if the board of directors' policy harms the company. Aggrieved investors are also entitled to report to the Indonesian Financial Services Authority for examination, and investors have the right to demand compensation as stated in Article 111 of the Capital Market Act which asserts that, "any party who suffers a loss as a result of violations of the law and/or regulations of its implementation can demand compensation, either alone or together with other parties who have similar claims, against the party or party responsible for the violation". Preventive action is one of the legal theories applied that, once legal action is taken, it will reduce or prevent a recurrence of litigation. According to Satijipto Raharjo, the protection of the law is to protect human rights that are violated by others, and this protection is given to the community to be able to enjoy all the rights granted by law (Rahardjo, 2004). Legal protection for investors under the Capital Market Law and Law No. 21 Indonesian Financial Services Authority Act about preventive and repressive (Dimyati, 2014).

The role of the state ensures that investors receive information and facts relevant to such investment decisions. Market activities to ensure the regularity, adequacy and efficiency of capital and to protect the interests of investors and the public. Investor protection is a kind of thing that should not be ignored because if investors do not get adequate protection, the public, especially small investors, will hesitate. Without a sufficient number of investors, market activity will slow and the capital market function will not develop (Tavinayati & Qamariyanti, 2009). According to R. La Porta in the Journal of Financial Economics, the form of regulatory protection offered by a country has 2 characteristics, namely prevention and punishment (Porta, 1999). The most concrete form of rule protection is the existence of a forum that is responsible for the enforcement of the rules. The existence of law enforcement agencies, police and other out-of-court concurrency settlement organizations (non-litigation). This is in sync using Soedjono Dirdjosisworo's understanding of rules, which says that rules have various meanings - one of the most obvious interpretations of rules is the existence of a rule enforcement forum.

According to Satjipto Rahardjo, the theory of legal protection explains that the purpose of law is to integrate and coordinate different interests in society (Rahardjo, 2000). Legal protection must take into account the stages, namely legal protection resulting from a legal provision and any agreement of the legal community, which is essentially a community agreement, to regulate the relationship of behavior between members of society and between members of society. The government is considered to represent the public interest. This theory is in line with the legal argument that investors or retail are protected by Indonesian Financial Services Authority or, in the case of capital market manipulation, Indonesian Financial Services Authority must often conduct regular monitoring and supervision of the Indonesia stock exchange. In addition to the theory of legal protection, there is also a progressive legal theory utilized in this study. The phrase “progressive law” was coined by Satjipto Rahardjo and is based on the premise that the law exists for the benefit of the people. Satjipto Rahardjo is concerned about the limited role of law in enlightening the Indonesian state and resolving the crisis, especially the dilemma of the legal field itself.

Satjipto Rahardjo believes that understanding is the key to success. This implies that progressive law is a series of bold actions aimed at changing the legal system (including changing the rules, if necessary) to make the law more beneficial, especially in the areas of education and pleasure and human well-being. In other words, progressive law is a law that promotes freedom of thought and action within the law, allowing one to simply follow the law to fulfill his obligation to serve humanity and humanity (Rahardjo, 2004). Based on the Progressive legal theory, it is emphasized that law concerns man, it must always evolve and advance to contribute to the well-being and happiness of mankind. The Capital Market Act has so far not regulated the specifics of this policy regarding market maker, although it has actually been taken into account in the Capital Market Act, but now it is just waiting for the rule to be implemented at a later date.

C. Conclusion

Market Maker has three stages of work, namely the stages of accumulation, participation and distribution. The three stages in determining an offer apply not only to small-cap stocks, but to medium to large-cap stocks. Investors in the capital market are legally protected in two ways: preventive legal protection and repressive legal protection. Market practices can be circumvented by enforcing capital market law and using the idea of full transparency as a precautionary legal protection. In addition, Indonesian Financial Services Authority exchange monitoring technology that regulates the implementation of market transactions is one form of preventive legal protection. In addition to Indonesian Financial Services Authority, the exchange is responsible for overseeing exchange transactions. Meanwhile, repressive legal protection is guaranteed through Indonesian Financial Services Authority review, investigation, and imposition of sanctions in accordance with Indonesian Financial Services Authority provisions, Articles 21, 9 and 8 letter I of the Indonesian Financial Services Authority Act.

Market manipulation is an act that is done silently in order to achieve a hidden goal. The Capital Market Act regulates the prohibition of market manipulation in the capital market. Provisions prohibiting market manipulation are regulated in Capital Market Act No. 91, 92, and 93. In the future, it is expected that Indonesian Financial

Services Authority which acts as the body that oversees capital market activities will further clarify the rules regarding investor protection in securities trading in the capital market, especially related to investor rights that were not previously detailed in the capital market. And also so as not to re-occur violations that often occur in the capital market.

References

Catranti, A. (2009). Pengaruh Rights Issue terhadap Imbal Hasil Saham dan Volume Perdagangan. *Bisnis & Birokrasi: Jurnal Ilmu Administrasi dan Organisasi*, *16*(3)., 188-203.

Chandra, W., 2015. Pengaruh Perubahan Fraksi Harga dan Satuan Perdagangan Terhadap Likuiditas Bursa Efek Indonesia. *Jurnal Finesta*, *3*(1), 91–95.

Dimyati, H. (2014). Perlindungan Hukum Bagi Investor Dalam Pasar Modal. *Jurnal Cita Hukum, 2*(2)., 1-14.

Eugene, B., Houston, J. F., & Yulianto., A. A. (2010). *Dasar-dasar Manajemen Keuangan*. Jakarta: Salemba Empat

Fadlia, D. H., & Yunanto. (2015). Peran Otoritas Jasa Keuangan (OJK) Dalam Perlindungan Hukum Bagi Investor Atas Dugaan Investasi Fiktif. *Law Reform*, *11*(2), 207-215.

Fahmi, I. (2015). *Pengantar Manajemen Keuangan*. Bandung: Penerbit Alfabeta.

Filbert, R. (2014). *Bandarmology*. Jakarta: PT Gramedia.

Gisymar. N. A. (1999). *Insider Trading dalam Transaksi Efek*. Bandung: Citra Aditya Bakti.

Harjono, D. K. (2007). *Hukum Penanaman Modal*. Jakarta: PT Raja Grafindo Persada.

Hartono, J. (2008). *Teori Portofolio Dan Analisis Investasi*. Yogyakarta: BPFE.

Herlianto, D. (2010). *Seluk Beluk Investasi di Pasar Modal Indonesia*. Jakarta: Gosyen Publising.

Karo, A. J. (2015). *Bandarmology Workshop*, Jakarta: Creative Trading System.

Khairandy, R. (2006). Iklim Investasi dan Jaminan Kepastian Hukum dalam Era Otonomi Daerah. *Jurnal Hukum Respublica*, *5*(2), hlm, 178.

Kurniawan, F. R., Dewi, D. A. S., & Iswanto, B. T. (2019). Kebijakan Pemerintah Daerah Kabupaten Magelang terhadap Investasi Asing Bidang Pariwisata. *Pandecta Research Law Journal*, *14*(1), 45-56.

Muharam, N. (2018). Perlindungan Hukum Bagi Investor Dalam Pembelian Kembali Sahamnya. *Pranata Hukum: Jurnal Ilmu Hukum*. *13*(1). 59-71.

Muklis, F. (2016). Perkembangan dan Tantangan Pasar Modal Indonesia. Al-Masraf: *Jurnal Lembaga Keuangan dan Perbankan*. *1*(1). 65-76.

Nasution, B. (2001). *Keterbukaan dalam Pasar Modal*. Jakarta: Fakultas Hukum Universitas Indonesia.

Nilasari, R. P. (2011). Perlindungan Hukum Terhadap Investor Dalam Transaksi Jual Beli Efek Melalui Internet. *Yuridika*, *26*(3), 275-286.

Nisa, A. (2017). Pengaruh Pemahaman Investasi, Modal Minimal Investasi dan Motivasi Terhadap Minat Mahasiswa Berinvestasi di Pasar Modal. *Jurnal Penelitian Teori & Terapan Akuntansi (PETA)*, *2*(2), 22-35.

Oktavia, I., & Nugraha, K. G. S. (2018). Faktor-faktor Yang Mempengaruhi Harga Saham. *UNEJ E-Proceeding.*

Otoritas Jasa Keuangan. (2011). Peran Otoritas Jasa Keuangan Melawan Penawaran Investasi Illegal. https://sikapiuangmu.ojk.go.id/FrontEnd/CMS/Article/116/. Diakses tanggal 6 November 2021.

Porta, L. R. (1999). Investor Protection and Corporate Governance. *Journal of Financial Economics*, *1*(58), 3-27.

Putralie, E, M., Syahputra, Y, A., & Zul, M. (2011). Perlindungan Hukum Investor Di Pasar Modal. *Jurnal Mercatoria, 4*(1), 26-36.

Rahardjo, S. (2000). *Ilmu Hukum*. Bandung: PT. Citra Aditya Bakti.

Rahardjo, S. (2004). *Ilmu Hukum: Pencarian, Pembebasan dan Pencerahan*, Surakarta Muhammadiyah Press University.

Rahmat, P. S. (2009). Penelitian Kualitatif. *Jurnal: EQUILIBRIUM, 5*(9), 1-8.

Rita, M, R., & Tandelilin, E. (2007). Efektivitas Penerapan *Price Limit* di Bursa Efek Jakarta. *Jurnal Ekonomi dan Bisnis Indonesia*, *22*(2)., hlm. 163.

Rokhmatussa'dyah. A & Suratman. (2009). *Hukum Investasi dan Pasar Modal*. Jakarta: Sinar Grafika.

Selasi, D. (2020). Dampak Pandemic Diseases Terhadap Perkembangan Pasar Modal Syariah Di Indonesia. *Syntax Literate: Jurnal Ilmiah Indonesia, 5*(5), 46-54.

Senna, C. (2020). Perlindungan Hukum terhadap Investor Atas Diberlakukannya Forced Delisting di Bursa Efek Indonesia dan Akibat Hukumnya. *Dinamika: Jurnal Ilmiah Ilmu Hukum*, *26*(1), 27-36.

Sitinjak, E.L.M., Warastuti. Y., & Sulistyanto. H. S. (2014). Earning Per Share, Book Value
Equity, dan Cash Flow Opration pada Buy, Hold Abnormal Return Primary Return
Primary Trens Saham LQ-45 (Periode 2010-2012). *Jurnal Akuntansi Bisnis*, *13*(25),
44-62.

Soemitro, R. H. (1999). *Metode Penelitian Hukum, Metodologi Penelitian Ilmu Sosial, (Dengan Orientasi Penelitian Bidang Hukum), Pelatihan Metodologi Ilmu Sosial, Bagian Hukum dan Masyarakat*. Jakarta: FH Undip.

Syarief, E., & Junaidi, J. (2021). Perlindungan Hukum Pemegang Saham Minoritas Terhadap Implikasi Praktik Insider Trading dalam Perdagangan Saham di Pasar Modal. *Journal Of Law And Policy Transformation, 6*(1), 72-89.

Tavinayati & Qamariyanti, Y. (2009). *Hukum Pasar Modal Di Indonesia*. Bandung: Sinar Grafika.

Trisnawati. (2017) . *Analisis Perbedaan Harga Saham Sesudah dan Sebelum Stock Split*. Purworejo: Skripsi Fakultas Ekonomi Universitas Muhamadiyah.

Usman, M. (1989). Pasar Modal sebagai Piranti untuk Mengalokasikan Sumber Daya Ekonomi Secara Optimal. *Jurnal Manajemen Usahawan Indonesia*, *18*(10), 1-16.

Zhu, M., Chiarella, C., He, Z., & Wang, D. (2009). Does the market maker stabilize the market?. *Journal of Physica A: Statistical Mechanics and its Applications*, *388*(15), 1-4.