

ABSTRACT

Insider trading is a term known in the capital markets, which in the process of buying and selling stock in the capital market involves people in conducting securities transactions using exclusive deals they have and have not been available to the public or investors. It can disserve and affect to the capital market mechanism. Normatively, insider trading regulated under Indonesian laws that Law No. 8 of 1995 on the Capital Market. The research is using normative law research method, the regulatory approach Legislation (Statute Approach). The result of this research shows that the legal protection of investors is required in the practice of insider trading. Such efforts can be done by providing legal certainty through regulation of Legislation as stipulated in Article 111 of the Capital Market Law. Aggrieved investors can sue for damages, either alone or jointly with others who have similar claims, against those responsible for such violations. Financial Services Authority in the completion of insider trading act as supervisor institution in the capital market under Article 9 of Law No. 21 of 2011 about the Financial Services Authority, which has the functions, duties, and authority of regulation, supervision, inspection and investigation in the case of insider trading. Financial Services Authority as a supervisor institution has the right to revoke a company's business activities in the capital market.

Keywords : Insider Trading, Financial Services Authority, the Capital Market Law