

ABSTRACT

Pump-dump manipulation as an attempt to sum up the stock price to rise far above its valuation price which is carried out by one party by spreading information and exaggerating to other parties (investors) to buy a recommended stock. After many investors who are affected will experience FOMO (fear out missing out) and buy the recommended stocks. and influencers will sell shares simultaneously and in a short time the shares will experience a drastic decline until they reach the lowest price limit in one trading day or known as bottom auto reject (ARB).

The research method used is normative legal research. The approach taken to dissect this research is the statutory-legal approach.

The results of this study state that pump-dump manipulation carried out by stock influencers in the Indonesian capital market violates Article 34 of the Capital Markets Act which clearly prohibits pump-dump manipulation by stock influencers who do not obtain a business license to become investment managers from OJK. Article 93 of the Capital Market Law which prohibits giving false or misleading information. Meanwhile, external legal protection for retail investors who are disadvantaged as a result of the practice in Article 29 of the OJK Law provides services and settlement of consumer complaints for retail investors and POJK No.65/POJK.04/2020 Concerning Illegal Profit Returns and Investor Loss Compensation Funds in the Market Sector Capital governing the application of disgorgement.

Keywords: Pump-dump manipulation; stock's influencer; investors