

ABSTRACT

This research examines legal protection for investors against insider trading from the perspective of legal certainty and justice. The objectives are to analyze regulations protecting investors against insider trading, analyze insider trading practices that create legal uncertainty, and provide new thoughts on ideal regulations to achieve legal justice. The research uses normative juridical methods with statutory, conceptual, case study, and comparative law approaches. The results show that investor protection against insider trading has been regulated under Law No.8/1995 on Capital Market and POJK No.65/2020, but still has weaknesses as it only adopts the fiduciary duty theory. Insider trading creates legal uncertainty due to regulatory gaps regarding secondary tippee arrangements, limited definition of perpetrators, and weak law enforcement as seen in Bank Central Asia and Bank Danamon cases. Ideal legal reconstruction needs to be done through: adoption of misappropriation theory, revision of Capital Market Law with special regulations on secondary tippees, strengthening law enforcement mechanisms, development of compensation systems through disgorgement funds, and enhanced international cooperation. This reconstruction is based on Pancasila justice principles to create a fairer capital market and provide legal certainty for investors.

Keywords: Legal Protection, Investors, Insider Trading, Legal Certainty, Justice.

