

The Urgency of Understanding Law No. 4 of 2023 for Capital Market Legal Consultants

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Abstract. *Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector (UUP2SK) was passed on January 12, 2023, aimed at strengthening the structure of the Indonesian economy, especially the financial sector. Capital market legal consultants have an important role in providing legal opinions for the public offering process and ensuring regulatory compliance. The purpose of this study is to explore the importance of understanding UUP2SK for capital market legal consultants, focusing on its role in ensuring regulatory compliance and improving service quality to clients. The research method used is the study of literature and analysis of related statutory content. The results show that a deep understanding of UUP2SK enables capital market legal consultants to provide better services to clients, as well as ensure compliance with new capital market regulations. The implication of this research is the importance of continuous training and professional development for capital market legal consultants in understanding and implementing UUP2SK effectively, thus supporting the integrity and stability of the Indonesian capital market.*

Keywords: *Consultant; Development; Financial; Strengthening.*

1. Introduction

The economic development of a country in the era of globalization is influenced by the components that exist in the economic structure of the country itself. One of these components is the capital market¹. The capital market functions to bridge funds from surplus units to units with deficit funds. In developed countries such as Japan, America and Britain, the capital market is used as a benchmark in seeing the development of the country's economy every year. The more advanced a country's capital market is, it can be ascertained that the country has a good economy as well. The development of the Indonesian capital market is currently still dominated by large investors and business entities. A common form of investment is an investment contract. Investment products in the financial services industry today are very diverse such as deposits, shares, mutual funds and debt securities.

In this regard, on January 12, 2023, Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector (UUP2SK) was enacted,

¹ Widijowati, D. (2023). Economic Analysis of Law: Strengthening the Legal Framework for Development. *Research Horizon*, 3(1), 19–35.

which was formed in an omnibus manner consisting of 27 chapters and 341 articles. Chapter 1 discusses general provisions, Chapter 2 on Principles, Aims and Objectives, and Scope, Chapter 3 on Institutions, Chapter 4 on Banking, Chapter 5 on Capital Market, Money Market, Foreign Exchange Market, Chapter 6 on Insurance, Chapter 7 on Joint Business Insurance, Chapter 8 on Policy Insurance Program, Chapter 9 on Guarantee, Chapter 10 on Financing Service Business, Chapter 11 on Bullion Business Activities, Chapter 12 on Pension Funds, Old Age Security, and Pension Programs, Chapter 13 on Cooperatives in the Financial Services Sector, Chapter 14 on Microfinance Institutions, Chapter 15 on Microfinance Conglomerates, Chapter 16 on Financial Sector Technology Innovation, Chapter 17 on the Application of Sustainable Finance, Chapter 18 on Financial Literacy, Financial Inclusion, and Consumer Protection, Chapter 19 on Access to Financing for Micro, Small and Medium Enterprises, Chapter 20 on Human Resources, Chapter 21 on Financial System Stability, Chapter 22 on Indonesian Export Financing Institutions^{2,3}.

Some provisions as stipulated in UUP2SK are certainly very intersecting with activities and professions that are often carried out by capital market legal consultants. Capital market consultants themselves have the authority to conduct due diligence on a corporate action that is often related and pay attention to the provisions of several laws and regulations in the economic, financial and capital market sectors. So of course it is very important for capital market legal consultants to understand some of the provisions regulated in UUP2SK. For example, if a company is engaged in Pension Funds or Old Age Insurance, it is certainly important for capital market legal consultants to pay attention to UUP2SK in Chapter 12 concerning Pension Funds, Old Age Security and Pension Programs to find out whether the pension fund company that is being due diligence or given a legal opinion is subject to existing regulations and applies as positive law.

Although of course this Law because of its new nature, a period of time is needed for counseling and introduction to the financial sector of the new regulation, namely UUP2SK because if there is a conflict with this law later, judicial review will be carried out to the Constitutional Court if it conflicts with the Constitution of the Republic of Indonesia Year 1945 or between fellow laws to the Supreme Court. Therefore, in this paper, as an author I feel the need to discuss the importance of an understanding of capital market legal consultants in understanding and deepening a new regulation which is certainly very close to their profession and activities as legal consultants engaged in the capital market, even not only limited to legal consultants but also includes other capital market

² Agusta, H. (2020). Pertanggungjawaban KHPM dalam Proses IPO Jika Terdapat Fakta Material yang Tidak Diungkap. *Masalah-Masalah Hukum*, 49(1), 48–60.

³ Deliani, D., & Yusriana, Y. (2024). Peranan Konsultan Hukum Pasar Modal Dalam Perlindungan Investor. *Juripol (Jurnal Institusi Politeknik Ganesha Medan)*, 7(1), 25–32.

supporting professions such as notaries, appraisers and public accounting firms that have a certificate registered with the OJK to carry out activities in the capital market. In this connection, legal consultants are parties who must be independent, in the sense that legal consultants disclose all objects of legal examination and provide their opinions based on applicable professional principles and standards. Legal consultants must not be influenced by any party, including issuers, resulting in unobjective opinions given^{4,5}

2. Research Methods

The research method that the author uses in the preparation of this paper is normative legal research. That is sourced from laws and regulations, but does not limit the author from using other legal materials such as literature research or document studies that contain doctrinal elements in it^{6,7}.

3. Results and Discussion

3.1 UUP2SK as a Momentum for Financial Sector Reform

The establishment of the UU2PSK can be said to be a reform of the financial sector, this is because financial sector regulations have been in effect for almost 30 years, starting from 1992 where regulations on the banking law and pension fund law were formed, then in 1995 a regulation was formed and drafted, namely the Capital Market Law, in 1997 the Commodity Futures Trading Law was created, until 2016 where the last in a financial sector was carried out the establishment of laws, namely the Guarantee Law and the Law on the Prevention and Handling of the Financial Crisis System. As a momentum for financial sector reform, there is certainly a massive change in several laws and regulations governing the regulation of financial sector activities, there are at least 17 laws and regulations affected by the establishment of regulations in the form of UUP2SK.

Then UUP2SK itself is actually a continuation of comprehensive reform of Job Creation, the Law on Harmonization of Tax Regulations (HPP) and the Law on Financial Relations between the Central and Regional Governments (HKPD). Of course, as a momentum for financial sector reform itself, there is a background where UUP2SK is formed which can be in the form of an urgency or interest in the formation or preparation of regulations in the form of an omnibus or a collection of several laws and regulations arranged in such a way as to create a comprehensive regulatory order. Some things that must be intervened in terms

⁴ Anwar, Y. (2005). *Pasar Modal Sebagai Sarana Pembiayaan dan Investasi*. Alumni.

⁵ Balfas, H. M. (2017). *Tindak Pidana Pasar Modal dan Pengawasan Perdagangan di Bursa*. *Jurnal Hukum & Pembangunan*, 28(1-3), 42-66.

⁶ Muhaimin. (2020). *Metode Penelitian Hukum* (F. Hijriyanti (ed.); 1st ed.). Mataram University Press.

⁷ Rohendi, A. (2017). *Kewajiban Dan Tanggung Jawab Konsultan Hukum Sebagai Profesi Penunjang Pasar Modal*. *Jurnal Ecodemica: Jurnal Ekonomi Manajemen Dan Bisnis*, 1(1), 59-71.

of interest in the establishment of UUP2SK regulations are the occurrence of an Asian Financial Crisis which has an impact on the Banking Law, Bank Indonesia Law, Deposit Insurance Corporation (LPS) Law, Sharia Banking Law. Then if it is associated with the occurrence of the global financial crisis, it will certainly have an impact on the OJK Law and the PPKSK Law, and at the last moment, of course, we all experience what is called a Covid-19 pandemic which also has an impact on the Covid Determination Law (No. 2/2020) as well as the implementation of the authority of LPS regulated in Government Regulation No. 33 of 2020, from this, a factor can be drawn that can affect the financial sector in the future period, namely:

- a. Each crisis has different characteristics that require a different remedy and countermeasure
- b. The Covid-19 pandemic has created a condition called *the scarring effect*
- c. Dynamics of global geopolitical, economic and financial sector developments
- d. The development of increasingly complex and interconnected financial instruments and transactions

In this regard, it is necessary to strengthen industrial governance, strengthen coordination between financial sector authorities and strengthen the financial system safety net.

3.2 Capital Market Legal Consultant as Implementer of UUP2SK

Based on a statement from Abdurrahman A. the term capital market as a translation of *Capital Market* which means a place or system how to meet the needs of funds for a company's capital, is a market where people buy and sell newly issued securities^{8,9}.

In line with this, in the capital market itself there is a supporting profession that is indeed formed as a profession or job to support activities that occur in the capital market because a public company which lists its shares on the market exchange which is known to have public funds in the form of shares in the company certainly requires a supporting profession to meet the needs of public companies in carrying out actions or The actions that will be carried out by the public company, one of the supporting professions that can be known is the Capital Market Legal Consultant.

Before going in a specific direction, of course, it is necessary to know the role of legal consultants in general, namely Munir Fuadi said that in general it can be observed 5 (five) main roles carried out by legal consultants, namely^{10,11} :

⁸ Abdurrahman, A. (1963). *Ensiklopedia ekonomi, keuangan dan perdagangan*. (No Title).

⁹ Deliani, D., & Yusriana, Y. (2024). *Peranan Konsultan Hukum Pasar Modal Dalam Perlindungan Investor*. *Juripol (Jurnal Institusi Politeknik Ganesha Medan)*, 7(1), 25–32.

¹⁰ Fuady, M. (1996). *Pasar Modal Modern (Tinjauan Hukum)*, PT. Citra Aditya Bakti, Bandung.

¹¹ Usman, M. (1997). *Pengetahuan dasar pasar modal*. Penerbit Institut Bankir Indo.

- a. Revamping and preparing legal documents from companies that will conduct public offerings (*go public*), mergers and business mergers in the capital market environment.
- b. Conduct an examination from a legal perspective and conclude the results of the examination into a Legal Opinion Report.
- c. Providing legal advice to clients related to capital market legal issues.
- d. Assist other institutions or professions in the capital market in handling legal issues such as notaries, accountants, investment managers, underwriters, for example in negotiating contracts with other parties.
- e. Cooperate with the government, including Bapepam in resolving various capital market legal issues and assisting in the preparation of capital market legal regulations.

Along with the enactment of Law No. 18 of 2003 concerning Advocates (Law of Advocates), adjustments were made to the provisions of the requirements to become a capital market legal consultant that had been in force. The Advocates Law does not distinguish between legal consultants who in fact only provide consultant services (not in court/non-litigation) and lawyers and advocates who provide legal services to represent clients litigation in court (litigation)^{12,13}. Currently, legal scholars who practice providing legal services to the public both in the field of litigation and non-litigation are referred to as advocates and they must first have a license issued by an advocate organization to practice providing legal services as an advocate. For this reason, HKHPM then provides provisions that say that for legal scholars who want to become capital market legal consultants (capital market advocates) it is mandatory to first obtain a license as an advocate issued by an advocate organization. Of course, there is objectivity in capital market regulation which includes three things, namely the protection of investors; The second is to ensure that the market is fair, efficient and transparent and the third is to reduce systemic risk^{14, 15}.

The presence of UU2PSK is certainly a challenge for capital market legal consultants in understanding and interpreting several regulations considering that this regulation is prepared as a collection of several regulations or what we currently know as omnibus law. Of course, there will be some speculations regarding articles that are very closely related to the activities of capital market legal consultants, therefore of course the role of capital market legal consultants

¹² Larasati, N. (2023). Protection of Financial Consumers Through Setting Standard Clauses in Law Number 4 of 2023 concerning Strengthening and Development of the Financial Sector. *Al Daulah: Jurnal Hukum Pidana Dan Ketatanegaraan*.

¹³ Widijowati, D. (2023). Economic Analysis of Law: Strengthening the Legal Framework for Development. *Research Horizon*, 3(1), 19–35.

¹⁴ FREDDY, D., & Nindyo Pramono, S. H. (2017). TRANSFERRED STOCKS.

¹⁵ Sitorus, Y. A. M., & Dirkareshza, R. (2023). The Law Enforcement of Stock Pump and Dump Practices by Influencers through Act No. 4 of 2023 concerning Development and Strengthening of the Financial Sector. *Law Development Journal*, 5(4), 496–514.

in the formation of the Law on Strengthening and Development of the Financial Sector needs attention^{16,17}. As a capital market legal consultant who moves to represent clients where in fact it is a public company with a large equity value, it is very necessary to be able to conduct legal counseling and see or adjust corporate actions that will be carried out in the future to comply with and comply with the latest regulations regarding the capital market and financial sector. This is needed so that in the future the adaptation process for legal consultants and public companies that are handled both due diligence, legal opinions to transaction documents have adopted the values reflected in this UUP2SK^{18,19}.

This is in line with the aim to strengthen the application of the principle of independence for legal consultants themselves which will encourage a balance between the application of professionalism, management and reporting by capital market legal consultants, both in a personal capacity and a firm or legal entity.

Independence also requires strong and structured management support from the firm or legal entity that houses the legal consultant. Professional management will provide flexibility in managing and managing dependencies or interest pressures originating from certain clients. The principle of independence will be born from quality human resources accompanied by the level and capacity of knowledge needed in providing services for each client²⁰.

The principle of independence of legal consultants will be the front door in maintaining investor confidence, especially in ensuring that every legal examination and opinion given for the benefit of issuers or public companies is produced by a trusted system and behavior²¹.

The issue of legal liability in the field of capital markets is one that is quite complicated, considering that in the capital market system it is possible to involve more than one party who contributes juridical errors resulting in losses to a party or violation of a rule of law. To determine who should be responsible

¹⁶ Sitorus, Y. A. M., & Dirkareshza, R. (2023). The Law Enforcement of Stock Pump and Dump Practices by Influencers through Act No. 4 of 2023 concerning Development and Strengthening of the Financial Sector. *Law Development Journal*, 5(4), 496–514.

¹⁷ Usanti, T. (2023). Notary public's obligation regarding bank secrecy post law number 4 of 2023 concerning financial sector development and strengthening. *The International Journal of Politics and Sociology Research*, 11(3), 358–366.

¹⁸ Agusta, H. (2020). Pertanggungjawaban KHPM dalam Proses IPO Jika Terdapat Fakta Material yang Tidak Diungkap. *Masalah-Masalah Hukum*, 49(1), 48–60.

¹⁹ Mavlutova, I., Spilbergs, A., Verdenhofs, A., Natrins, A., Arefjevs, I., & Volkova, T. (2022). Digital transformation as a driver of the financial sector sustainable development: An impact on financial inclusion and operational efficiency. *Sustainability*, 15(1), 207.

²⁰ Usman, M. (1997). *Pengetahuan dasar pasar modal*. Penerbit Institut Bankir Indo.

²¹ Rohendi, A. (2017). *Kewajiban Dan Tanggung Jawab Konsultan Hukum Sebagai Profesi Penunjang Pasar Modal*. *Jurnal Ecodemica: Jurnal Ekonomi Manajemen Dan Bisnis*, 1(1), 59–71.

for a loss arising for example in a registration statement in order to go public, Article 80 paragraph (1) of the Capital Market Law confirms if the registration statement in the framework of a public offering contains incorrect information about material facts or does not contain information about material facts in accordance with the provisions of this law and or its implementing regulations so that informal is misleading, so²²:

- 1) Any party signing the registration statement.
- 2) Directors and Commissioners of the Issuer at the time the registration statement becomes effective.
- 3) Underwriters.
- 4) Capital market supporting professions or other parties who provide opinions or information and with their approval are contained in the registration statement. Must be responsible, either individually or jointly for losses arising from the act.

Regarding the independence of legal consultants in carrying out their roles and responsibilities, professionalism is required. This is reflected in the conflict of interest arrangements that can arise between ethical interests and the economic interests of clients (Sampara, 2016).

Of course, an independence of legal consultants is needed to support the implementation of new regulations related to UUP2SK, especially for capital market legal consultants. In this regulation, it is known that there are several aspects that can be said to be new and must be thoroughly studied by capital market legal consultants such as the existence of carbon exchanges where what will be traded are emission credits between companies, then related to the definition of controlling a company that has been changed and the repeal of the Pension Fund Law with the birth of this law.

3.3 UUP2SK as the Purpose of Regulating and Coordinating Authorities in the Financial Sector

a. Strengthening the Financial Sector Stability Committee (KSSK)

In order to strengthen the Financial Sector Stability Committee, UUP2SK regulates the following matters, namely the Minister of Finance as the coordinator of the KSSK and has a casting vote, provides voting rights for the Chairman of the LPS Board of Commissioners, the KSSK can coordinate the handling of Systemic Banks determined as in the Resolution, the KSSK can hold coordination meetings, and as a strengthening of the assessment and research function at the KSSK Secretariat.

²² Balfas, H. M. (2017). Tindak Pidana Pasar Modal dan Pengawasan Perdagangan di Bursa. *Jurnal Hukum & Pembangunan*, 28(1-3), 42-66.

b. Strengthening the Deposit Insurance Corporation (LPS)

Guarantees can be made for customer groups, whose regulations are consulted with the DPR, Determination of resolution action options is not only based on the least cost test, but also other factors (economic conditions, complexity of problems, bank market share, handling time, availability of investors, effectiveness of handling), Transfer of GMS along with automatic authority based on the Law after LPS receives written notification from OJK, Addition of members of the LPS Board of Commissioners who are not Ex-officio to 4 people, with internal divisions, including by removing the nomenclature of the Chief Executive (through the Board of Commissioners Regulation), One of the requirements for nominating Members of the Board of Commissioners, namely not members/administrators of political parties, Budgeting mechanism involving the Minister of Finance for operational budgets, Addition of LPS Supervision Board, Addition of LPS obligation to submit performance reports to the Government and DPR on a quarterly and annual basis and authorization for LPS to establish an asset management company.

c. Strengthening the Financial Services Authority (OJK)

The addition of OJK duties related to derivative finance, carbon exchanges, Financial Sector Technology Innovation, and Digital Financial Assets including crypto assets is a new authority for OJK. Then the OJK Authority as the only party that can file bankruptcy and PKPU applications against debtors who are registered/licensed and supervised by the Financial Services Authority. The Chairman of the OJK Board of Commissioners has a casting vote. The addition of members of the OJK Board of Commissioners brings the total to 11 people, namely by splitting the Chief Executive of the Non-Bank Financial Industry into 2 Chief Executives and adding 1 nomenclature or naming a new sub-district, namely Financial Sector Technology Innovation and Digital Financial Assets including crypto assets.

d. Bank Indonesia (BI) Strengthening

In UUP2SK, there are several reforms to strengthen Bank Indonesia as a vital financial sector institution of the country, namely Increasing macroprudential authority and detailing its authority, Proposal from the President to the House of Representatives for Governors and Senior Deputy Governors of at most 3 people and Members of the Board of Governors of at least 2 people, Addition of provisions to delete books and delete BI bills, Addition of BI obligations to submit performance reports to the Government and DPR on a quarterly basis and annual, as well as Detailing monetary authority.

3.4 Some Substances that Legal Consultants Must Pay Attention to in UUP2SK

a. Expansion of the Meaning of Effects

Based on Article 1 point 5 of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (Law P2SK) Chapter on Capital Market, Money Market, and Foreign Exchange "Securities are securities or investment contracts both in conventional and digital forms or other forms in accordance with technological developments that give rights to their owners to directly or indirectly obtain economic benefits from the issuer or from certain parties based on agreements and each Derivative on Securities, which can be transferred and traded in the Capital Market."

There are several elements regarding securities that need to be considered in UUP2SK, namely securities or investment contracts, conventional and digital forms or other forms, giving rights to their owners to directly or indirectly, obtain economic benefits from issuers/other parties, based on agreements and any Derivatives of Securities, which can be transferred and traded in the Capital Market.

b. Provisions Regarding Mutual Fund Lending and Borrowing (Article 24 paragraph 1)

The provisions in this article stipulate that Mutual Funds can receive and provide loans with certain requirements stipulated in the Financial Services Authority Regulation. The phrase "certain requirements stipulated in the Financial Services Authority Regulation" to authorize OJK under certain conditions by taking into account industry conditions and the interests of Mutual Fund investors to impose a ban on Mutual Funds receiving and/or providing loans, which is further regulated in the Financial Services Authority Regulation.

c. Purchase of Mutual Fund Participation Units by Other Mutual Funds (Fund to Fund)

This is regulated in article 4 (2) of UUP2SK, namely in order to expand the investment portfolio that can be purchased by mutual funds and for variations in securities portfolios. Be *international best practice* where currently it is only possible for Mutual Funds to have portfolios in the form of collective investment products other than mutual funds, for example Investment Fund Collective Investment Contract Participation Units *Real Estate*.

d. Regulation on carbon exchanges (in article 23)

In this article, among others, regulating domestic and foreign carbon trading can be carried out with a carbon exchange mechanism. In this case, those who can become carbon exchange organizers are only market

organizers in the Capital Market. In connection with that, market organizers can develop unit-based activities or products. Then there is the development of carbon trading infrastructure carried out in a coordinated manner between ministries/agencies and carbon exchange supervisory authorities. It is known that further provisions regarding carbon trading through carbon exchanges are regulated in the OJK after consultation with the DPR. The Financial Services Authority needs to coordinate with other relevant ministries and authorities in the preparation of POJK regarding carbon trading.

e. Regulation on Expansion of Investment Portfolio Other Than Mutual Funds

Regulation on Investment Portfolio Expansion Other than Mutual Funds is certainly a separate concern that must be considered for capital market legal consultants because investment facilities in the form of portfolios are certainly used by the public in daily transactions, so it is regulated in Article 29 (A & B) in UUP2SK which can be described as follows:

1. This provision gives authority for Investment Managers to be able to manage collective investment products other than Mutual Funds in other forms determined by OJK.
2. This provision stipulates that the Investment Manager as the manager of collective investment products other than Mutual Funds can sell and repurchase Participation Units or other investment receipts continuously or on a limited basis up to the number of Participation Units or other investment tokens stipulated in the collective investment contract.
3. The phrase "or other proof of investment" in this provision is in order to accommodate Capital Market practices, where currently there are other forms (other investment receipts) such as Asset-Backed Securities whose form is not a Participation Unit.

f. Arrangements regarding Una Via and Disgorgement

Article 100 A of UUP2SK stipulates regulations regarding the adaptation of the Una Via and Disgorgement principles, this can be interpreted as an arrangement regarding strengthening OJK's authority to determine not to proceed to the investigation stage or the commencement of investigation actions against suspected criminal acts along with the assessment considerations underlying the determination. Then on the other hand, the regulation regarding the application of disgorgement is not limited to criminal acts, but includes administrative violations in order to strengthen law enforcement in the Capital Market.

g. OJK Authority Regulation to Conduct Deterrence

In article 5 of UUP2SK, OJK is specifically given an authority by the state to take preventive action in the form of deterrence, namely to prevent someone who is indicated or prevent people suspected of capital market violations abroad from entering Indonesia. This is intended with the hope of accelerating the prevention and deterrence process by OJK, so that the expectations and objectives of preventing certain parties can be achieved.

h. Obligation to Change Status to a Closed Company

Regulated in article 84 A of UUP2SK which basically regulates a company to have an obligation of a public company that is canceled from listing its shares on the Stock Exchange to change its status to a closed company within a certain period stipulated in the Financial Services Authority Regulation. For public companies, they can voluntarily change their status to a closed company after meeting the requirements set by the Financial Services Authority.

i. Regulation related to the Position of Public Shareholders in the Liquidation of Issuers or Public Companies (Article 87 letter A)

In the event of liquidation of an Issuer or Public Company, the position of public shareholders is one level below concurrent creditors and in the event of a division of the remaining liquidation assets, such shareholders are entitled to take precedence over shareholders who are not public shareholders. Provisions to improve the protection of public shareholders are carried out by giving birth to preemptive rights compared to other shareholders to acquire the remaining liquidation assets.

j. There is a regulation regarding Securities Crowdfunding (Article 69 letter B)

In paragraph 1, it is explained that in order to provide assistance to investors or investors who utilize the services of electronic system operators that facilitate the collection of public funds through Securities offerings, investor protection fund operators can provide investor fund protection based on provisions set by the Financial Services Authority. So in this case it can be known that in order to provide protection for investors who take advantage of crowdfunding services organized by Securities Crowdfunding Organizers, investor protection fund organizers can provide investor fund protection.

k. Regarding Dematerialization Effects (Article 5)

As is known in UUP2SK, it is regulated regarding the dematerialization of securities, namely it is a provision regarding the authority of OJK to regulate the obligation to issue Securities and convert Securities in the form of no warrants. In order to increase liquidity in the Indonesian Capital Market and the need to provide fast, accurate, and transparent data on

recording equity securities ownership, the conception of company listing needs to be followed by dematerialization of Securities held by founding shareholders in Issuers or script shareholders.

i. Regarding Market Operators Outside the Stock Exchange (Article 5 Letter D

The provisions in Article 5D paragraph (2) as a strengthening of the legal umbrella for OJK to regulate Market Operators outside the Stock Exchange. Market operators will be mandated to be carbon exchange operators, Debt Securities trading platforms, or other capital market instruments. Market operators have characteristics as Self Regulatory Organization (SRO) because they are authorized by the Law to make regulations governing the service users of the market operator, which take effect after OJK approval.

m. Spin Off of Securities Company Business Activities

In article 1 number 20 of UUP2SK it is stated that a Securities Company is a party that carries out activities as an Underwriter and Securities Broker or Investment Manager. This provision stipulates that a Securities Company is a Party that carries out activities as an Underwriter and Securities Trader or Investment Manager.

n. Provisions Regarding Control of Securities Companies

Article 42 Letter B states that each Party is prohibited from owning shares and/or taking control measures in more than 1 (one) Securities Company either directly or indirectly, except because of share ownership or Government capital participation. This can be interpreted that UUP2SK expands the prohibition of control by one party to 2 or more Securities Companies which include Investment Managers, Securities Brokers, and Underwriters because of the potential to cause conflicts of interest in the activities of Securities Companies. Also, the nature of control of several Securities Companies by 1 party can affect the control of the stock exchange because Securities Companies can become Members of the Exchange as well as shareholders of the stock exchange and can have an impact on the stability of the financial system.

o. Trade Supervision for EBUS issued by LPS

As stipulated in Article 70 number (2&3), there is an exception determined and regulated by this Law, namely the Exception to LPS intended to assist LPS in carrying out the bank resolution function in relation to maintaining financial system stability. Given that the exemption is given only if LPS issues debt securities to professional investors, a secondary market mechanism is needed to ensure that debt securities issued by LPS are not sold to retail investors.

p. There are Alternative Mutual Fund Issue Settlements Other Than Cash Settlement

This is regulated in Article 29 B, namely In principle, when holders of Collective Investment Contract Participation Units resell their Participation Units (redemption), the Investment Manager is obliged to buy back in cash (cash settlement). Then the Funds are used for *cash settlement* it is obtained from the sale of the portfolio of the Collective Investment Contract (KIK).

Under certain conditions, the KIK portfolio cannot be sold (illiquid) so that the Investment Manager has the potential to default on portfolio unit holders. To avoid the risk of default, it is necessary to provide alternatives so that the redemption settlement can be carried out through non-cash settlement (in-kind settlement) by dividing KIK's investment portfolio proportionally with the percentage of participation units.

4. Conclusion

Being a legal consultant is certainly not easy, considering that a legal consultant must be reliable in providing legal opinions and in conducting due diligence on a corporate action carried out by his clients which can be individuals or a legal entity. Moreover, the responsibility of a capital market legal consultant who is a member of an association that can be said to be an Association of Capital Market Legal Consultants is certainly required to have a registered certificate from the OJK if you want to handle corporate actions for a public company whose shares are traded on the stock exchange or equity market. Of course, for a capital market legal consultant, it is very important to understand the latest regulations, especially in Law No. 4 of 2023 concerning the Strengthening and Development of the Financial Sector. The new regulation on the financial sector in the form of an omnibus law is certainly very important for a capital market legal consultant because the regulation is a direction or inclined to regulate the financial sector even though the validity period is determined by going through a trial first. Of course, understanding the aims and objectives of why the financial sector needs a new regulation is very important, therefore a capital market legal consultant must have a dynamic mind while still following the latest regulations, especially they are directly involved with the world of the financial sector itself, although specifically in the field of capital markets involving several corporate actions such as Preemptive Rights or Preemptive Rights or in foreign terms we know With right issues, acquisitions, mergers and other corporate actions that are often heard from a public company.

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