






## **Law Reform of Insider Trading and Market Manipulation in Legal Offer (Go Public) Process**

**Yuli Prasetyo Adhi <sup>a</sup> , Prasasti Dyah Nugraheni <sup>b</sup>  ,  
Dewi Sulistianingsih <sup>b</sup> , Diani Indah Rachmitasari <sup>c</sup> ,  
Amar Ma'ruf <sup>d</sup>**

<sup>a</sup> Faculty of Law, Universitas Diponegoro, Indonesia

<sup>b</sup> Faculty of Law, Universitas Negeri Semarang, Indonesia

<sup>c</sup> Faculty of Spatial Sciences, University of Groningen, The Netherlands

<sup>d</sup> Master of International Management, The University of Adelaide, Australia

 corresponding email: [prasastidiahnugraheni@students.unnes.ac.id](mailto:prasastidiahnugraheni@students.unnes.ac.id)

---

### **Abstract**

The initial legal offering process of Public Company is the process of offering various securities in the shape from various shares owned by the Company to investors. The process from selling various securities in the shape from various shares owned by the Company consists of the process from offering various securities in the shape from various shares for investors, the process from giving various securities in the shape from various shares, which have been adjusted by orders from investors, and the process of listing the various securities in the shape from shares that have been sold on the stock exchange. Besides, the stage of selling various securities in the shape from shares owned by the Company consists of the stage from initial pertaining to the preparatory process for the sale of various securities in the shape from shares owned by the Company, the stage of registration application pertaining to Capital Market Supervisory Agency as institution whose task is for regulate and supervise activities in the capital market sector, the stage from share offering pertaining to investors, and the stage of listing from shares pertaining to the stock exchange market an institution whose job is to trade various securities in the shape from various shares owned by a Company to investors. In writing this article, the author uses the normative-juridical research method, which is a research method that is

carried out using various sources of library law or secondary sources of law to find solutions to existing legal problems.

## Keywords

*Go Public Process, Limited Liability Company, Shares.*

## Introduction

The juridical reasons for the scientific article on Law Reform of Insider Trading and Market Manipulation in the Legal Offer (Go Public) Process that was raised are as follows:

- a. Article 28D paragraph (2) from the 1945 Constitution from the Republic from Indonesia stipulates that everyone has the right for work and receive fair and proper imbalance and treatment in employment relations.
- b. In the Consideration from Letter c of Law Number 8 from 1995 on the Capital Market, it is stipulated that the capital market requires a solid legal basis to guarantee further the legal certainty of parties carrying out activities in the capital market and for protect the interests of investors of detrimental practices.
- c. In the Consideration of letter c of Law Number 40 of 2007 on Limited Liability Companies, it is stipulated that limited liability companies are one from the pillars from national economic development that need for be given a legal basis for encourage further national development, which is structured as a joint venture based on the principle of family.

The philosophical reasons for the scientific article on Law Reform of Insider Trading and Market Manipulation in the Legal Offer (Go Public) Process that was raised are as follows:

- a. Providing an understanding that insider trading actions in a limited liability company are unethical for shareholders.
- b. Providing an understanding to shareholders of the various values they have as part of the General Meeting from Shareholders.
- c. Providing an understanding from the legal protection provided to shareholders of existing regulations in Indonesia.

The sociological reasons for the scientific article on Law Reform of Insider Trading and Market Manipulation in the Legal Offer (Go Public) Process that was raised are as follows:

- a. Implementation to realize legal protection for shareholders is not yet optimal.
- b. Shareholders do not yet understand the various rights they have as part of the General Meeting from Shareholders.
- c. There is a need for legal protection for shareholders so that their various rights can be fulfilled.

A Limited Liability Company is a business entity in the shape from a legal entity.<sup>1</sup> This allows a Limited Liability Company to trade various securities in the shape from shares it owns for all investors or all financiers at large. However, not all Limited Liability Companies can trade various securities in the shape from the multiple shares they own.<sup>2</sup> This is because only an open Limited Liability Company can trade various securities in the shape from shares it owns. Meanwhile, a closed limited liability company cannot trade various securities in the shape from shares it owns.<sup>3</sup> Thus, an open Limited Liability Company can trade its shares while a closed Limited Liability Company cannot.

An open Limited Liability Company tends to require investors or financiers to carry out its business activities.<sup>4</sup> Meanwhile, a closed limited liability company tends not to require investors or financiers to carry out

---

<sup>1</sup> Ayu Kholifah and Shelly Kurniawan, "One-Person Limited Liability Company: Considering Company's Organ Governance of The Indonesian Legal Entities for Micro and Small Enterprises," *Diponegoro Law Review* 9, no. 1 (2024): 2, <https://doi.org/10.14710/dilrev.9.1.2024.1-18>.

<sup>2</sup> Jarmila Pokorna and Eva Vecerkova, "The Limited Liability Company As A Universal Legal Form of Business," *Procedia Economics and Finance* 12, no. 1 (2014): 537, [https://doi.org/10.1016/S2212-5671\(14\)00376-1](https://doi.org/10.1016/S2212-5671(14)00376-1).

<sup>3</sup> Aliya Sandra Dewi and Dian Fitriana, "The Limited Company Shares Transfer Through Circular Decree Out of The Shareholders Meeting," *International Conference on State, Law, Politics, and Democracy (ICON-SLPD)* 1, no. 1 (2022): 25, <https://openjournal.unpam.ac.id/index.php/Icon/article/view/19088>.

<sup>4</sup> Paddy Ireland, "Limited Liability, Shareholder Right, and The Problem of Corporate Irresponsibility," *Cambridge Journal of Economics* 34, no. 5 (2020): 844, <https://doi.org/10.1093/cje/ben040>.

business activities.<sup>5</sup> Thus, an open Limited Liability Company tends to have more flexibility to trade various securities in the shape of shares than a closed Limited Liability Company.

An open Limited Liability Company usually has carried out an initial legal offering process, which is commonly referred to as a go-public process.<sup>6</sup> The Go Public process is a process from offering various securities in the shape of shares owned by a Limited Liability Company for all investors or all financiers at large to obtain capital in carrying out a business activity.<sup>7</sup> Thus, the role that these investors or financiers have is very important for an open Limited Liability Company.

Besides, an initial legal offering process, or what is commonly referred to as a Go Public process in a Limited Liability Company, has various main objectives, which are as follows.<sup>8</sup>:

- a. To improve the old capital system owned by a Limited Liability Company.
- b. To obtain a profit or an advantage in carrying out a business activity by selling various securities in the shape of shares owned by all investors or financiers widely.
- c. To obtain capital for carrying out a business activity.
- d. To improve the quality and quantity owned by a Limited Liability Company.

On the other hand, an open Limited Liability Company has two types of sources of capital. First, sources of capital come from within the

---

<sup>5</sup> Campbell R. Harvey and Daniel Rabetti, "International Business and Decentralized Finance," *Journal of International Business Studies* 55, no. 1 (2024): 840, <https://doi.org/10.1057/s41267-024-00705-7>.

<sup>6</sup> Felicia Maria and Ulya Yasmine Prisandani, "Establishing A Limited Liability Company: A Comparative on Singaporean and Indonesian Law," *The Law Prenscurship Journal* 1, no. 1 (2021): 46; 51, <https://doi.org/10.21632/tlj.1.1.43-57>.

<sup>7</sup> Ratna Laniati, Sang Ayu Putu Rahayu, and Bastian Chris Daren, "Implementation of Go Public in The Development Indonesian Company Law," *Law Research Review Quarterly (Journal for Law, Justice, and Crime in Indonesia and Southeast Asia)* 9, no. 4 (2023): 585; 596, <https://doi.org/10.15294/lrrq.v9i4.75656>.

<sup>8</sup> Yuji Honjo, "Public or Perish? From Founding to Initial Public Offering," *Review of Managerial Science* 15, no. 1 (2020): 1576–78, <https://doi.org/10.1007/s11846-020-00390-4>.

Company, such as profits or advantages obtained from conducting business activity.<sup>9</sup> Second, sources from capital that come of opposite a Limited Liability Company, such as various debt securities, debts received from various creditors, and capital in the shape from various shares.<sup>10</sup> Several capitals in the shape from various shares can be obtained by trading various securities in the shape from various shares for all investors or all financiers at large. This is what is commonly referred to as an initial legal offering process or what is commonly referred to as a Go Public process. Thus, a Go Public process can occur if a Limited Liability Company issues various securities in the shape from shares that will be offered and sold to all investors or financiers widely.

Various previous studies related to the topic in the scientific article on Law Reform of Insider Trading and Market Manipulation in Legal Offer (Go Public) Process are as follows:

- a. *Proses Initial Public Offering (IPO) di Pasar Modal Indonesia*, written by Agus Salim Harahap in 2011, discusses the stages of public offering of shares in Indonesia, which consist of the initial stage, the share submission stage, the share offering stage, and the share listing stage on the Stock Exchange as well as the issuer's obligation for submit an annual financial report for the Capital Market Supervisory Agency<sup>11</sup>.

Similarity: Describes the stages of a public offering of shares in Indonesia.

Difference and novelty: Describe insider trading in the stages of the public offering of shares in Indonesia, which consists of market manipulation and fake transactions.

---

<sup>9</sup> Setia Budi Kurniawan and Mira Aisyah Nendya, "Analysis of The Effect of Profitability, Company Growth, and Liquidity on Capital Structure: A Case Study of Indonesia," *International Journal of Research in Social Science and Humanities (IJRSS)* 3, no. 2 (2022): 27, <https://doi.org/10.47505/IJRSS.2022.V3.2.4>.

<sup>10</sup> Prince Yeboah Boateng et al., "Influencing Factors That Determine Capital Structure Decisions: A Review from The Past to Present," *Cogent Business and Management* 9, no. 1 (2022): 2, <https://doi.org/10.1080/23311975.2022.2152647>.

<sup>11</sup> Agus Salim Harahap, "Proses Initial Public Offering (IPO) Di Pasar Modal Indonesia," *Forum Ilmiah Indonusa* 8, no. 2 (2011): 134–36; 138, <https://ejurnal.esaunggul.ac.id/index.php/Formil/article/view/770/703>.

- b. *Strategi Membeli Initial Public Offering (IPO) di Pasar Modal Perdana Indonesia*, written by Ida Hendarsih in 2017, discusses various things that have to be considered when buying shares in the capital market, namely market conditions in a country, share purchase prices, share transaction costs, and the risks of shares to be purchased in the capital market<sup>12</sup>.

Similarity: Describes the Initial Public Offering (IPO) issuance process in Indonesia.

Difference and novelty: Describe insider trading in the stages of the public offering of shares in Indonesia, which consists of market manipulation and fake transactions.

- c. *Peluang dan Tantangan Initial Public Offering (IPO) Pada Perusahaan Start-Up di Indonesia*, written by Anggi Purnama Harahap, Rahmad Ramadhan Hasibuan, and Lupitta Risma Candanni in 2020 which discusses the obstacles in the public offering stage of shares in Aplikasi Karya Anak Bangsa (Go-Jek) Ltd., which is still classified as a start-up company at the unicorn level, makes it increasingly difficult to obtain fresh funds from investors because there are not too many investors who have large funds.<sup>13</sup>

Similarity: Describes the requirements for public offerings of shares in Indonesia.

Difference and novelty: Describe insider trading in the stages of public offerings of shares in Indonesia, consisting of market manipulation and fake transactions.

- d. *The Decision to Go Public and Business Group Affiliation: Evidence from India*, written by Suja Sekhar C. and Jijo Lukose

---

<sup>12</sup> Ida Hendarsih, "Strategi Membeli Initial Public Offering (IPO) Di Pasar Modal Perdana Indonesia," *Moneter Jurnal Akuntansi Dan Keuangan* 4, no. 2 (2017): 172–73, <https://doi.org/10.31294/moneter.v4i2.2379>.

<sup>13</sup> Anggi Purnama Harahap, Rahmad Ramadhan Hasibuan, and Lupitta Risma Candanni, "Peluang Dan Tantangan Initial Public Offering (IPO) Pada Perusahaan Start-Up Di Indonesia," *IJIEB: Indonesian Journal of Islamic Economics and Business* 5, no. 2 (2020): 40, <https://doi.org/10.30631/ijoieb.v5i2.294>.

P. J. in 2022, discusses the process and stages of going public in India, which is carried out through BG Affiliation.<sup>14</sup>

Similarity: Describes the process of going public, which can only be done by a public limited company.

Difference and novelty: Describe the process from going public in Indonesia that relates to the problem of market manipulation and fake transactions in the stages of public offering of shares.

- e. Implementation of Go Public in The Development Indonesian Company Law (Case of PT. Astra International), written by Ratna Laniati, Sang Ayu Putu Rahayu, and Bastian Chris Daren in 2023, discusses the process of going public at Astra International Ltd. was founded on April 4, 1990, and was established as a public legal entity in Indonesia.<sup>15</sup>

Similarity: Describes the stages of a public offering of shares in Indonesia.

Difference and novelty: Describe insider trading in the stages of the public offering of shares in Indonesia, which consists of market manipulation and fake transactions.

- f. *Meningkatkan Peranan Perusahaan BUMN yang Sudah Go Public Dalam Mengoptimalkan Pengelolaan Bisnis Berbasis Budaya dan Kepastian Hukum* written by Tb. Boy B. Ariffin and Rendy Renaldy in 2023, which discusses the strategic roles of the Council from Commissioners, the Council from Directors, and the General Meeting from Shareholders in maximizing innovation efforts owned by State-Owned Enterprises to gain profits<sup>16</sup>.

Similarity: Describes the concept of a public offering of shares in Indonesia.

---

<sup>14</sup> Suja Sekhar C. and Jijo Lukose P. J., "The Decision to Go Public and Business Group Affiliation: Evidence from India," *Journal of Emerging Market Finance* 21, no. 4 (2022): 14, <https://doi.org/10.1177/09726527221102391>.

<sup>15</sup> Laniati, Rahayu, and Daren, "Implementation of Go Public in The Development Indonesian Company Law."

<sup>16</sup> Tb. Boy B. Ariffin and Rendy Renaldy, "Meningkatkan Peranan Perusahaan BUMN Yang Sudah Go Public Dalam Mengoptimalkan Pengelolaan Bisnis Berbasis Budaya Dan Kepastian Hukum," *Audi Et AP: Jurnal Penelitian Hukum* 2, no. 1 (2023): 42, <http://doi.org/10.24967/jaeap.v2i01.2079>.

Difference and novelty: Describe insider trading in the stages of the public offering of shares in Indonesia, which consists of market manipulation and fake transactions.

Based on the descriptions of the descriptions that have been described, the authors make various formulations of problems that arise as a result of an initial legal offering process or what is commonly referred to as a Go Public process in a Limited Liability Company, are as follows:

- a. What are the stages that a Limited Liability Company need go through to become open (Go Public)?
- b. What are the advantages and the disadvantages from an open limited liability company (Go Public)?

## Method

In writing this scientific article, the author uses a legislative approach where law is interpreted as a norm of regulations or laws.<sup>17</sup> The writing of this scientific article is also designed for see the law in a real sense and see how the law works in the wide community.<sup>18</sup> Thus, this scientific article is limited to discussing insider trading in a limited company involving shareholders. In addition, the author uses a type of research that is juridical normative, where various legal materials are used to produce various arguments, various concepts, and various new theories that can later solve various legal problems in this scientific article.<sup>19</sup> The data sources used in writing this scientific article consist of primary legal materials and secondary legal materials.<sup>20</sup> The primary legal materials used are as follows: Law Number 8 from 1995 on the Capital

---

<sup>17</sup> Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana Prenada Media Group, 2021).

<sup>18</sup> Veronica Phillips and Eleanor Barker, "Writing for Publication: Structure, Form, Content, and Journal Selection," *Journal of Perioperative Practice* 31, no. 6 (2021): 232, <https://doi.org/10.1177/1750458921996249>.

<sup>19</sup> Pujiono, Dewi Sulistianingsih, and Laga Sugiarto, "Reformasi Birokrasi Perizinan Berusaha Melalui Online Single Submission (OSS)," *Arena Hukum* 15, no. 3 (2022): 655, <https://doi.org/10.21776/ub.arenahukum.2022.01503.10>.

<sup>20</sup> Dewi Sulistianingsih, Andry Setiawan, and Muchammad Shidqon Prabowo, "Potret Tumpuan Perguruan Tinggi Dalam Upaya Alih Teknologi," *Seminar Nasional Hukum Universitas Negeri Semarang* 7, no. 2 (2021): 693, <https://doi.org/10.15294/snhunnes.v7i2.722>.



Market, Financial Services Authority Regulation Number: 7/POJK.04/2017 on Registration Statement Documents to Public Offerings from Equity Securities, Debt Securities, and/or Sukuk, and Financial Services Authority Regulation Number: 57/POJK.04/2020 on Securities Offering Through Information Technology-Based Crowdfunding Services. Meanwhile, the secondary legal materials used are as follows: various scientific articles and various books concerning Law Reform of Insider Trading and Market Manipulation in Legal Offers (Go Public).

Thus, this scientific article is written using a data collection technique in the shape from a qualitative literature study of various primary and secondary legal sources.<sup>21</sup> Furthermore, various data sources used will be reviewed in a normative legal manner in accordance with various regulations and various existing legal facts with the aim of providing a general description and conclusions regarding various legal problems in this scientific article.

## Result and Discussion

The juridical objectives for the scientific article on Law Reform of Insider Trading and Market Manipulation in the Legal Offer (Go Public) Process that was raised are as follows:

- a. To describe that fair and proper compensation and treatment for shareholders in a limited liability company must be given as regulated in Article 28D paragraph (2) from the 1945 Constitution from the Republic from Indonesia.
- b. Legal certainty and legal protection to shareholders in capital market activities must be provided as regulated in Consideration of Letter C from Law Number 8 from 1995 on the Capital Market.
- c. To describe that national development in Indonesia can be arranged in one way by establishing a joint venture with shareholders in a limited liability company based on the

---

<sup>21</sup> Victor Oluwatosin Ajayi, "A Review on Primary Sources of Data and Secondary Sources of Data," *European Journal of Education and Pedagogy* 2, no. 3 (2023): 1, <https://doi.org/19810.21091/ejedu>.

principle of family as regulated in Consideration of letter c from Law Number 40 from 2007 on Limited Liability Company.

The philosophical objectives for the scientific article on Law Reform of Insider Trading and Market Manipulation in the Legal Offer (Go Public) Process that was raised are as follows:

- a. To describe that shareholders have various values that are not owned by the Council from Directors and the Council from Commissioners in a limited liability company.
- b. To describe that insider trading in a limited company is prohibited and may not be carried out by shareholders.
- c. To describe that insider trading in a limited company is an unethical act that can cause losses to shareholders.

The sociological objectives for the scientific article on Law Reform of Insider Trading and Market Manipulation in the Legal Offer (Go Public) Process that was raised are as follows:

- a. For describe and provide shareholders with an understanding of the various rights they have as part of the General Meeting from Shareholders.
- b. To describe the legal protection for shareholders, which is considered less than optimal.
- c. To describe the understanding of insider trading so that shareholders do not experience this.

## **A. Stages That A Limited Liability Company Need Go Through to Go Public**

An initial legal offering process, or what is commonly referred to as a Go Public process in a Limited Liability Company, usually takes place in a primary market for a certain period. The initial legal offering process, or what is commonly referred to as a Go Public process, is usually carried out by issuers as the seller from securities in the shape from shares for investors or financiers as the buyer from securities in the shape from shares. Therefore, when the operation of a primary market has ended, the issuers can only sell the various securities in the shape from shares on an Exchange Market.

In the activity from buying and selling various securities in the shape from various shares that occur in a primary market, the issuers have

the authority to determine the offering price and the selling price of the various securities in the shape from the various shares.<sup>22</sup> Meanwhile, in an activity from buying and selling various securities in the form from various shares that occur on an Exchange Market, only the Capital Market Supervisory Agency has the authority for determine the offering price and selling price of the various securities in the shape from the various shares.<sup>23</sup> Therefore, the issuers only have the authority to set the initial offering price of the various securities in the shape from these shares.<sup>24</sup> An initial bidding process is an indirect or direct invitation process that uses an initial prospectus to understand the desires of potential buyers from securities in the shape from shares and determine the initial offering price from the securities in the shape from shares.

Besides, a Limited Liability Company wishing to be open (Go Public) must meet certain conditions, which are as follows:<sup>25</sup>

- a. Must have a profit or a large advantage from a business activity that is carried out.
- b. Must have the potential to increase profits or advantages from a business activity that it carries out.
- c. Must have a good and stable financial system.

Various limited liability companies that can become open (Go public) are listed below:<sup>26</sup>

---

<sup>22</sup> Leticia Castano, Jose E. Farinos, and Ana M. Ibanez, "The Relevance of Legal Requirements in The Going Public Process: The Discretionary Decision of Adopting An Audit Committee," *European Journal of Management and Business Economics* 33, no. 3 (2024): 2, <https://doi.org/10.1108/EJMBE-01-2024-001810.1108/EJMBE-01-2024-0018>.

<sup>23</sup> Muhammad Daffa et al., "Struktur Dan Pelaku Pasar Modal," *El-Mal: Jurnal Kajian Ekonomi Dan Bisnis Islam* 4, no. 4 (2023): 1175, <https://doi.org/1047467/elmal.v4i4.2944>.

<sup>24</sup> Gerard Pinto, "The Cost of Going Public and Financial Constraints," *Financial Markets and Portfolio Management* 38, no. 1 (2024): 446, <https://doi.org/10.1007/s11408-024-00456-3>.

<sup>25</sup> Gevira Lovia Anjani et al., "Analisis Kinerja Keuangan Perusahaan Sebelum Dan Sesudah Initial Public Offering (IPO) (Studi Pada Perusahaan Berbasis Teknologi Pada Tahun IPO 2013-2021)," *Jurnal Maneksi (Management, Ekonomi, Dan Akuntansi)* 12, no. 4 (2023): 724, <https://doi.org/10.31959/jm.v12i4.1889>.

<sup>26</sup> Dwi Desi Tari Tarina et al., "Perseroan Terbatas Di Indonesia Setelah Berlakunya Undang-Undang Nomor 11 Tahun 2020 Tentang Cipta Kerja," *Research Gate* 1, no. 1 (2021): 8,

- a. Government-Owned Limited Liability Companies include Regional-Owned Enterprises and State-Owned Enterprises.
- b. Private-owned limited Liability Companies include private companies from within the country and private companies from abroad.

A privately owned Limited Liability Company most often carries out an initial legal offering process, commonly referred to as a Go-Public process. This is because a privately owned Limited Liability Company wants to utilize the capital market as a tool to develop and improve its business activities and gain great trust from the general public.<sup>27</sup> Besides, a privately owned limited liability company wants to increase capital for its business activities.

A Limited Liability Company wishing to be open (Go Public) must prepare various external documents and various internal documents required in a public offering process or a Go Public process<sup>28</sup>. Besides, a Limited Liability Company wishing to be open (Go Public) must also meet the various stages required in a public offering process or a Go Public process. Various stages that a Limited Liability Company must pass to become open (Go Public) are as follows<sup>29</sup>:

### 1. Document Preparation and Initial Preparation Stage

At this stage, a Limited Liability Company must prepare all documents required in a public offering process or a Go Public process. Before issuing various securities in the shape of various shares, a Limited Liability Company must hold a General Meeting of Shareholders which has the objective of obtaining approval and agreement from shareholders in

---

[https://www.researchgate.net/publication/356595363\\_Perseroan\\_Terbatas\\_Di\\_Indonesia\\_Setelah\\_Berlakunya\\_Undang-Undang\\_Nomor\\_11\\_Tahun\\_2020\\_Tentang\\_Cipta\\_Kerja](https://www.researchgate.net/publication/356595363_Perseroan_Terbatas_Di_Indonesia_Setelah_Berlakunya_Undang-Undang_Nomor_11_Tahun_2020_Tentang_Cipta_Kerja).

<sup>27</sup> Sufiarina et al., "Legal Dynamics of Limited Liability Companies: Unveiling The Power of Commissioners and Shareholders to Take Legal Action Against Directors' Negligence," *Unnes Law Journal* 9, no. 2 (2023): 273, <https://doi.org/10.15294/ulj.v9i2.75526>.

<sup>28</sup> Maria and Prisdani, "Establishing A Limited Liability Company: A Comparative on Singaporean and Indonesian Law."

<sup>29</sup> Harahap, "Proses Initial Public Offering (IPO) Di Pasar Modal Indonesia."

the field of the public offering process or the Go Public process as well as amending an old Articles of Association<sup>30</sup>. If in a General Meeting from Shareholders, a public offering process or a Go Public process is approved, then the issuers have to select and determine professionals who are experts in the field of capital markets. The various professions that are experts in the capital market sector are as follows<sup>31</sup>:

- a. Independent Auditor or Public Accountant who has to carry out an audit process or an audit process on the financial statements held by the issuers to the last 2 (Two) years.
- b. Legal Consultants have to provide advice in the field from law, especially in the field from public offering agreements or public agreements.
- c. A Notary has to form a deed in a public offering agreement or a Go Public agreement, a deed in the Articles of Association, and meeting minutes.
- d. An Appraiser has to carry out a process of appraising an active asset owned by a Limited Liability Company and determine the absolute value from such an active asset.
- e. Underwriters have to assist in preparing various prospectuses, provide guarantees to issuers, and prepare various documents required in a public offering process or a Go Public process.

Besides, issuers also have to carry out a preparation process for all agreements and all documents required in a public offering process or a Go Public process, conduct a public seminar on a public offering process or a Go Public process, and hold a preliminary agreement with an Exchange Market.

## **2. Shares Listing Stage and Application for Preliminary Agreement Registration at The Stock Exchange Stage**

---

<sup>30</sup> Sufiarina et al., "The Organization of The General Meeting of Shareholders Based on Court Determination from The Perspective of Shareholder Rights' Protection," *PJIH: Pandjajaran Jurnal Ilmu Hukum Journal of Law* 9, no. 2 (2022): 40, <https://doi.org/10.22304/pjih.v9n2.a2>.

<sup>31</sup> Harahap, "Proses Initial Public Offering (IPO) Di Pasar Modal Indonesia."

A Limited Liability Company wishing to go public must submit a registration application to list various securities in the shape of shares by attaching the required documents, such as various financial reports, various legal opinions on a Limited Liability Company, profiles owned by a Limited Liability Company, and an amount of capital owned by a Limited Liability Company.<sup>32</sup> Besides, a Limited Liability Company must also submit information regarding an application for registration of the preliminary agreement at the Indonesian Central Securities Depository. The next stage is the Stock Exchange will carry out a selection process and a selection process for an application for registration of a preliminary agreement that a Limited Liability Company has registered by observing and considering a planned public offering to be carried out by a Limited Liability Company, a business plan that a Limited Liability Company will carry out, and the profile of such a Limited Liability Company.<sup>33</sup> If a Limited Liability Company has a public offering plan, a business plan, and a good and satisfactory profile, then an Exchange Market will approve such a preliminary agreement.

### **3. Submitting the Application for Preliminary Agreement Registration at The Financial Services Authority Stage**

After an Exchange Market approves a preliminary agreement about the listing of shares, a Limited Liability Company concerned must apply the preliminary agreement to the Financial Services Authority. It has an objective for carrying out a public offering process or a Go Public process for various securities in the shape of various shares for investors or financiers as parties who buy securities in the shape of shares. In a public offering process or a Go Public process, various securities in the shape of various shares require supporting data in the shape of a prospectus.

---

<sup>32</sup> Hilda Amadea Sobandi et al., "Tinjauan Yuridis Dalam Pasar Modal: Analisis Tahapan Initial Public Offering (IPO)," *Jurnal Syntax Admiration* 5, no. 7 (2024): 2787–88, <https://doi.org/10.46799/jsa.v5i7.1290>.

<sup>33</sup> Harahap, "Proses Initial Public Offering (IPO) Di Pasar Modal Indonesia."

In carrying out a data collection process on an application for the preliminary agreement, the Financial Services Authority has the authority for request additional data and various complementary information from a Limited Liability Company to ensure that an offering and sale from securities in the shape from shares can be carried out smoothly. Various additional data and various complementary information held by a Limited Liability Company can be stated in a prospectus<sup>34</sup>. The prospectus can also be known and published to the public at large. A notification process and publication process for a prospectus can be carried out through a national newspaper.

However, before carrying out a publication process for such a prospectus, a Limited Liability Company concerned must carry out an initial bidding process, commonly referred to as a book-building process. It must obtain a license from the relevant Financial Services Authority. A Limited Liability Company can only carry out a publication process on a prospectus if it has obtained a permit from the relevant Financial Services Authority. In granting such a license, the Financial Services Authority will provide a statement regarding the effectiveness from the public offering price for various securities in the shape from various shares and open information from a Limited Liability Company. Therefore, if an application for the preliminary agreement is declared effective by the Financial Services Authority, then a Limited Liability Company can carry out a publication process for a prospectus.

#### **4. Public Offering on The Indonesian Stock Exchange Stage**

Issuers carry out a public offering stage by offering various securities in the shape from shares issued by a Limited Liability Company to investors or financiers. The stage lasts from 1 (One) to 5 (Five) working days. Meanwhile, investors or financiers who are interested and want to buy various securities in the shape from shares can carry out a buying process at

---

<sup>34</sup> Harahap.

various selling agents that the issuer has determined. Suppose there is an excessive demand for various securities in the form from shares. In that case, the issuers have to carry out a process from allotment of the various securities in the form from shares for investors or financiers who are interested and want to buy them. However, suppose the investors or financiers cannot obtain the various securities in the shape from shares because they have run out. In that case, the order money that the investors or financiers have paid at the beginning of the public offering stage must be returned immediately by the issuer. Suppose investors or financiers cannot obtain various securities in the form from various shares in a primary market. In that case, investors or financiers can buy various securities in the form from shares in a secondary market.<sup>35</sup> A process of buying various securities in the form from various shares on a secondary market must be listed on an Exchange Market.

#### **5. Trading and Listing of Public Shares on The Stock Market Stage**

After a public offering process on an Exchange Market has been carried out, a share that has been offered must be sold to investors or financiers who have previously ordered and must be listed on an Exchange Market. A trading process for various securities in the shape from various shares can be carried out in a securities company that has become a member of an exchange and has been listed on an Exchange Market. Furthermore, issuers must submit a variety of information regarding various reports relating to a Limited Liability Company that has become public (Go Public), which includes various reports on changes of directors and acquisitions, various periodic reports, various annual reports, and various middle reports year.

Meanwhile, various securities can be listed on the Indonesian stock market through a listing board. There are two types of registration boards in the Indonesian Securities

---

<sup>35</sup> Marzuki Usman dkk., *ABC Pasar Modal Indonesia* (Jakarta: Lembaga Pengembangan Perbankan Indonesia atau Institut Bankir Indonesia dan Ikatan Sarjana Ekonomi DKI Jaya, 1990).



Market: the development board and the main board.<sup>36</sup> The 2 (Two) registration boards have a function to record and recap all requirements that investors or financiers have met in a trading process for various securities in the shape from various shares. The registration board about development is intended for all Limited Liability Companies that have not fulfilled all the requirements set out in an initial public offering process. Meanwhile, the main registration board is intended for all Limited Liability Companies that have met all the requirements stipulated in an initial public offering process.<sup>37</sup> In other words, the main board is intended for all Limited Liability Companies that already have professional issuers and have various securities in the shape from good-quality shares.

The following are various general requirements that must be fulfilled by a Limited Liability Company wishing to list various securities in the shape from shares issued on the Stock Exchange.<sup>38</sup>

- a. Having issuers who are not experiencing a problem in the field of law could later affect the image from a Limited Liability Company.
- b. Having an application to registration regarding emissions that have been declared effective and efficient by the Capital Market Supervisory Agency.
- c. All laws in force in Indonesia do not prohibit carrying out a business activity either indirectly or directly.
- d. A Limited Liability Company that is engaged in a subsidiary or holding company from a Limited Liability Company must have issuers that have been listed on an Indonesian Stock Exchange. It must also have issuers that can contribute effectively and efficiently.

---

<sup>36</sup> Ayup Suran Ningsih, "Rules Regarding Mandatory Equity Securities Listing: Is It Possible for A Public Company Without Listing on The Indonesian Stock Exchange?," *Jurnal Penelitian Hukum De Jure* 22, no. 3 (2022): 290, <http://dx.doi.org/10.30641/dejure.2022.V22.285-294>.

<sup>37</sup> Ningsih.

<sup>38</sup> Harahap, "Proses Initial Public Offering (IPO) Di Pasar Modal Indonesia."

- e. A Limited Liability Company operating in the industrial sector must have issuers who are not experiencing problems with environmental pollution.
- f. A Limited Liability Company engaged in management must have issuers with a management permit for at least 15 (Fifteen) years. A Limited Liability Company operating in the mining section must have issuers with a management permit for at least 15 (Fifteen) years and a mining contract of at least 1 (One) contract.

In the process of going public, companies must ensure that all legal aspects are met, including compliance with applicable regulations and transparency in providing information to the public. One key element in this process is the legal opinion provided by capital market legal consultants. This legal opinion aims to describe the company's legal condition, ranging from compliance with its articles of association and applicable laws to aspects of assets and contractual obligations.<sup>39</sup> Legal consultants must act independently and objectively, meaning they should not have financial ties or hold positions in the company being reviewed.<sup>40</sup> This is intended to prevent conflicts of interest that may affect the results of legal analysis.

One major issue in capital market law is insider trading, which occurs when individuals with access to material information not yet available to the public use that information for personal gain. For instance, if a major shareholder is aware of an acquisition plan that could increase stock prices before it is announced and then purchases a large number of shares, this action can be categorized as insider trading<sup>41</sup>. This

---

<sup>39</sup> Hendrawan Agusta, "Pertanggungjawaban KHPM Dalam Proses IPO Jika Terdapat Fakta Material Yang Tidak Diungkap," *Masalah-Masalah Hukum* 49, no. 1 (2020): 53, <https://doi.org/10.14710/mmh.49.1.2020.48-60>.

<sup>40</sup> Budi Endarto, Slamet Suhartono, and Sri Setyadji, "The Principally of The Obligations of Legal Consultant's As A Capital Market Supporting Profession in The Preparation of Independent Legal Due Diligence," *Journal of Law, Policy, and Globalization* 101, no. 2 (2020): 17, <https://doi.org/10.7176/JLPG/101-02>.

<sup>41</sup> Ikhfan Octareza and Kurniawan, "Tinjauan Yuridis Terhadap Penerapan Prinsip Keterbukaan Di Dalam Pasar Modal Sebagai Bentuk Perlindungan Hukum Terhadap Investor Ditinjau Dari Undang-Undang Nomor 8 Tahun 1995 Tentang Pasar Modal," *Jurnal Commerce Law* 3, no. 1 (2023): 237–38, <https://doi.org/10.29303/commercelaw.v3i1.2811>.

practice creates market inequality, as only certain parties gain benefits while other investors suffer losses. Therefore, regulations in Indonesia, including the Capital Market Law, prohibit insider trading with potential administrative and criminal sanctions.

Another concern in the initial public offering process is the dissemination of misleading information. In many cases, prospectuses of companies going public contain statements that are not entirely accurate or fail to disclose material information that could affect investor decisions. The principle from disclosure in the capital market requires that all relevant information be presented to the public honestly and accurately. Violating this principle can lead to administrative and criminal sanctions.<sup>42</sup> In certain cases, companies that provide misleading statements in their prospectuses may face severe penalties, including business license suspension and substantial fines.

Additionally, the function from the Financial Services Authority as the capital market regulator is crucial in ensuring compliance with applicable laws. Financial Services Authority has the power for conduct investigations, impose sanctions, and act as a Civil Servant Investigator in capital market violation cases.<sup>43</sup> For example, in the Initial Public Offering case of Wahanaartha Harsaka Ltd., it was found that the company's legal consultant provided misleading information, resulting in the cancellation of the Initial Public Offering and sanctions against the involved parties. This highlights the critical role of regulators in enforcing transparency and fairness in the capital market.

Another recurring issue in public companies is market manipulation or fictitious transactions. This practice occurs when parties intentionally create a trading activity that does not reflect the actual market conditions.<sup>44</sup> For instance, market participants may engage

---

<sup>42</sup> Inda Rahadiyan, *Pokok-Pokok Hukum Pasar Modal Di Indonesia* (Yogyakarta: UII Press, 2017).

<sup>43</sup> Hengki Heriyadi, Yos Johan Utama, and Dedi Prasetyo, "Juridical Review of The Role and Functions of The Financial Services Authority (OJK) in The Financial System in Indonesia," *Journal of Hunan University Natural Sciences* 60, no. 11 (2023): 156, <https://doi.org/10.5281/zenodo.10121850>.

<sup>44</sup> Misbakhul Munir, "Perlindungan Hukum Bagi Investor Terhadap Praktek Strategic Listing Dalam Pasar Modal," *Sangaji: Jurnal Pemikiran Syariah Dan Hukum* 8, no. 1 (2024): 82, <https://doi.org/10.52266/sangaji.v8i1.2562>.

in repeated transactions for create the illusion from high demand for a particular stock, ultimately attracting investors to buy at higher prices. Once the price rises, the market participants sell their shares at a profit, leaving other investors at a loss. The Indonesia Stock Exchange has a detection system to identify fictitious transactions through the analysis of price fluctuations, trading patterns, and other information<sup>45</sup>. If indications of manipulation are found, The Indonesia Stock Exchange may issue an Unusual Market Activity (UMA) warning or even suspend trading of the relevant stock.

From a legal compliance perspective, companies planning to go public must meet various administrative requirements, including the preparation of complete and transparent documents. Based on Financial Services Authority Regulation Number: 7/POJK.04/2017 on Registration Statement Documents to Public Offerings from Equity Securities, Debt Securities, and/or Sukuk, documents required in the Initial Public Offering process include a prospectus, audited financial statements, and legal statements from legal consultants.<sup>46</sup> Without these documents, the Financial Services Authority has the right to delay or cancel the effectiveness of the IPO registration statement.

Financial Services Authority Regulation Number: 57/POJK.04/2020 on Securities Offerings Through Technology-Based Crowdfunding Services classifies equity crowdfunding services as an activity inside the capital market sector<sup>47</sup>. However, this classification raises legal ambiguities when compared to the definition of the capital market in Law Number 8 from 1995 on the Capital Market, which primarily focuses on public offerings and securities trading within the stock exchange. The evolution of financial technology has introduced

---

<sup>45</sup> Amalia Utami, Rina Br. Bukti, and Abdhy Aulia Adnans, "Analysis of Vousinas Fraud Hexagon Theory on The Detection of Financial Statement Fraud in Service Companies Listed on Indonesia Stock Exchange (IDX) 2018-2022," *International Journal of Current Science Research and Review* 7, no. 8 (2024): 6168, <https://doi.org/10.47191/ijcsrr/V7-i8-30>.

<sup>46</sup> Republic Indonesia, "Financial Services Authority Regulation Number: 7/POJK.04/2017 on Registration Statement Documents for Public Offerings of Equity Securities, Debt Securities, and/or Sukuk" (2017).

<sup>47</sup> Republic Indonesia, "Financial Services Authority Regulation Number: 57/POJK.04/2020 on Securities Offering Through Information Technology-Based Crowdfunding Services" (2020).

new investment mechanisms, such as equity crowdfunding, which enables issuers to raise funds from investors through digital platforms without the conventional regulatory frameworks governing public offerings.<sup>48</sup> The discrepancy between the legal definitions and the operational realities of equity crowdfunding presents challenges in regulatory oversight and investor protection.

One significant legal concern in equity crowdfunding is the potential lack from transparency and accountability. Unlike traditional public offerings that require extensive regulatory disclosures and oversight from supporting professionals such as auditors and legal consultants, equity crowdfunding relies primarily on the platform operator to conduct due diligence on issuers.<sup>49</sup> This absence of an independent verifying authority increases the risk of misinformation and fraudulent activities. The Financial Services Authority mandates operators for provide accurate information to investors under Financial Services Authority Regulation Number 57/POJK.04/2020 on Securities Offerings Through Technology-Based Crowdfunding Services. The lack from strict enforcement mechanisms and penalties for misinformation creates vulnerabilities in investor protection.

Another critical issue is the limited availability of a secondary market for shares acquired through equity crowdfunding. Unlike shares traded on the stock exchange, which benefit from continuous liquidity, equity crowdfunding investments often lack a structured secondary market<sup>50</sup>. This limitation means that investors may face significant liquidity risks, as they may not be able to sell their shares readily. Some platforms, such as Bizhare, have introduced a restricted secondary market

---

<sup>48</sup> Nur Indah Putri Ramadhani and Rianda Dirkareszha, "Penyelesaian Sengketa Terhadap Risiko Yang Dihadapi Pemodal Pada Securities Crowdfunding Di Indonesia," *Jurnal Ius Constituendum* 6, no. 2 (2021): 306, <https://doi.org/10.26623/jic.v6i2.3774>.

<sup>49</sup> Wardah Yuspin and Nur Rohmah Wati, "The Urgency of A Legal Protection on Equity Crowdfunding Services Based on The Regulation of The Indonesian Financial Service Authority Number: 57/POJK.04/2020," *International Journal of Multicultural and Multireligious Understanding* 9, no. 2 (2022): 415, <http://dx.doi.org/10.18415/ijmmu.v9i2.3536>.

<sup>50</sup> Anna Lukkarinen and Armin Schwienbacher, "Secondary Market Listings in Equity Crowdfunding: The Missing Link?," *Research Policy* 52, no. 2 (2023): 3, <https://doi.org/10.1016/j.respol.2022.104648>.

where share transactions occur only twice a year, with price adjustments capped at 20% of the initial offering price. However, such constraints significantly limit investor flexibility and capital gain opportunities, making equity crowdfunding a less attractive option compared to traditional stock market investments.

Furthermore, equity dilution presents a potential risk for early-stage investors in equity crowdfunding. Under Law Number 40 from 2007 on Limited Liability Companies, existing shareholders have preemptive rights to purchase newly issued shares before they are offered to external investors. However, in equity crowdfunding, if existing shareholders do not exercise this right, their ownership percentage will decrease as new investors acquire shares.<sup>51</sup> Given the limited trading options in equity crowdfunding platforms, early investors may find it difficult to maintain their proportional stake or exit their investments efficiently. The lack of mechanisms to protect shareholder interests in such scenarios further complicates the regulatory framework governing equity crowdfunding within the broader capital market framework.

## **B. The Advantages and The Disadvantages of a Limited Liability Company That is Open (Go Public)**

A Limited Liability Company wishing to be open (Go Public) must carry out the entire preparation process, including the document preparation process and the internal preparation process, which has been regulated and stipulated by the Capital Market Supervisory Agency. Besides, a Limited Liability Company must fulfill all requirements regarding a public offering process or a Go Public process, which has also been regulated and stipulated by the Capital Market Supervisory Agency. Various requirements regarding a public offering process or a Go Public process are as follows.<sup>52</sup>

---

<sup>51</sup> Muhamad Rizki Febrianto, Iswi Hariyani, and Bhim Prakoso, "Legal Position of Shareholders With Multiple Voting Rights in Technology Based Limited Liability Companies in The Initial Public Offering Process," *International Journal of Advanced Multidisciplinary Research and Studies* 4, no. 3 (2024): 140, <https://www.multiresearchjournal.com/arclist/list-2024.4.3/id-2755>.

<sup>52</sup> Republic Indonesia, "Law Number 8 of 1995 on Capital Markets" (1995).

- a. Having shareholders of at least 300 people.
- b. Having a financial report that has been carried out by an audit process by public accountants.
- c. Having a full paid-up capital from at the minimum IDR 3.000.000.000.
- d. Obtained a profit or an advantage in a business activity that has been carried out during the last two years.
- e. A Limited Liability Company concerned is domiciled in Indonesia.
- f. A limited liability company operating in the banking sector must have sufficient capital to carry out its business activities and fulfill all existing requirements as a soundbank.

A Limited Liability Company that wants for be open (Go Public) has a goal to carry out a development process and an expansion process for its business activities. If a Limited Liability Company has become open (Go Public), then the Limited Liability Company can carry out a process of selling various securities in the shape from various shares for investors or financiers who are interested and want to buy. The process of selling various securities in the shape from various shares has the purpose from increasing a business capital, which can later expand a business activity that a Limited Liability Company has carried out.<sup>53</sup> Besides, an increase in business capital can also be used to purchase various raw production materials that are useful for the consumer and increase the number of employees who are useful for the Limited Liability Company.

Besides, a Limited Liability Company that has become open (Go Public) also has its advantages. Various advantages possessed by a Limited Liability Company that has become open (Go Public) are as follows.<sup>54</sup>

- a. The public widely recognizes it because it can buy various securities in the shape from shares issued by such a Limited Liability Company.

---

<sup>53</sup> Yon Alfred, "The Juridical Implications of The Sale and Purchase of Shares Agreement in A Closed Limited Liability Company Made by A Notary Without The Consent of The Married Couple," *Jurnal Konstatering* 1, no. 3 (2022): 1296, <https://jurnal.unissula.ac.id/index.php/jk/article/view/24247/pdf>.

<sup>54</sup> Tito Sulistio, *Panduan IPO (Go Public)* (Jakarta: Bursa Efek Indonesia, 2015).

- b. Investors or financiers widely know it, as investors or financiers can buy various securities in the shape from various shares issued by such a Limited Liability Company.
- c. Having issuers that are widely known by the public because the public is accustomed to carrying out an interaction process regarding various securities in the shape from shares with the issuers concerned.
- d. Having large access to funding in a stock market.
- e. Obtain relatively high profits or advantages when carrying out business activities.
- f. Enhancing an image that a Limited Liability Company owns as a Limited Liability Company that is good and of quality in the eyes of the wider community.
- g. Increasing the loyalty that employees have towards a Limited Liability Company.
- h. Increasing the value that a Limited Liability Company owns in the eyes from the wider community.
- i. There is no need to continuously and directly carry out a promotional process because the public is aware from the existence from such a Limited Liability Company.

Apart from having various advantages, a Limited Liability Company that has become open (Go Public) also has its disadvantages. Various disadvantages possessed by a Limited Liability Company that has become open (Go Public) are as follows.<sup>55</sup>

- a. Issuers must have a character that is more open to all information held by such a Limited Liability Company. This is carried out for give investors or financiers the impression that a Limited Liability Company has an honest and transparent character when carrying out its business activities. Besides, it is also carried out to maintain and even improve an investment flow carried out by investors or financiers in such a Limited Liability Company. A characteristic that is open to all information held by the issuers are as follows<sup>56</sup>:

---

<sup>55</sup> Sulistio.

<sup>56</sup> Dicky Arisudhana, "Pengaruh Audit Delay, Ukuran Klien, Opini Audit Tahun Sebelumnya, Reputasi Kantor Akuntan Publik, Dan Return on Assets (ROA)



1. Delivering all reports regarding a business activity carried out by a Limited Liability Company for the Capital Market Supervisory Agency and the public at large regularly.
  2. Submitting all reports regarding a change in the price of securities in the shape from a change in share price issued by a Limited Liability Company to the Capital Market Supervisory Agency and the public at large regularly.
- b. Shareholders cannot have the capital from a Limited Liability Company that amounts to 100% because some investors or financiers become the new owners of capital issued by such a Limited Liability Company. Therefore, the shareholders concerned must share their votes with new investors or financiers in a General Meeting from Shareholders. However, the shareholders concerned can still have capital of such a Limited Liability Company at a maximum of 50% of the total capital issued by such a Limited Liability Company.
- c. A Limited Liability Company must comply with all existing regulations in the capital market section, especially in the field from securities in the form from shares, which have been regulated and stipulated by the Capital Market Supervisory Agency and Law Number 8 from 1995 on the Capital Market. This is carried out to show that a Limited Liability Company has an attitude of professionalism and an attitude of great responsibility towards a business activity it carries out. Besides, it is also carried out to carry out a business activity that a Limited Liability Company owns in a good, sustainable, competitive, and professional manner.

Thus, it can be explained that a Limited Liability Company that has become open (Go Public) not only has various advantages but also has its disadvantages. So, a Limited Liability Company that has become open (Go Public) should pay more attention and be aware of the various shortcomings it has to be able to carry out its business activities properly,

---

Terhadap Pergantian Auditor Sukarela (Studi Empiris Pada Perusahaan Sub Sektor Property Dan Real Estate Yang Terdaftar Pada Bursa,” *Jurnal Akuntansi Dan Keuangan* 6, no. 1 (2017): 101, <https://doi.org/10.36080/jak.v6i1.353>.

sustainably, competitively, and professionally and not cause any harm to investors or financiers.

## **Conclusion**

In a public offering process or a Go Public process, a Limited Liability Company need go through various stages to become open (Go Public), are as follows: the document preparation and initial preparation stage which has a purpose to prepare all documents needed in an offering process public or a Go Public process, the shares listing and application for preliminary agreement registration stage that can be carried out on an Exchange Market, the submitting the application for registration of the preliminary agreement stage that can be carried out on a Financial Services Authority, the public offering stage that can be carried out on an Exchange Market Indonesia by issuers to investors or financiers who are interested and want to buy various securities in the shape from various shares for 1 (One) working day to 5 (Five) working days, and the trading and listing of public shares stage that can be carried out on an Exchange Market by issuers to the public investors or financiers who have previously subscribed to various securities in the form from shares.

A Limited Liability Company that has become open (Go Public) has its advantages, which are as follows: having large access to funding in a stock market, obtaining relatively high profits or advantages in carrying out a business activity, and enhancing an image that a Limited Liability Company owns as a Limited Liability Company which is good and of quality in the eyes of the wider community. Apart from having various advantages of a Limited Liability Company that has become open (Go Public), it also has its disadvantages, which are as follows: issuers must have a character that is more open to all information held by a Limited Liability Company, shareholders cannot have capital from a Limited Liability Company amounting to 100%, and a Limited Liability Company must comply with all existing regulations in the field of securities in the shape from shares which have been regulated and stipulated by the Capital Market Supervisory Agency and Law Number 8 from 1995. Besides, a Limited Liability Company that has become open (Go Public) also has its major issues in capital market law, which are as follows: dissemination of misleading information is prospectuses of

companies going public contain statements that are not entirely accurate or fail to disclose material information that could affect investor decisions, market manipulation or fictitious transactions are parties intentionally create a trading activity that does not reflect the actual market conditions. Equity crowdfunding is the potential lack of transparency and accountability.

## References

- Marzuki, Peter Mahmud. *Penelitian Hukum*. Jakarta: Kencana Prenada Media Group, 2021.
- Rahadiyan, Inda. *Pokok-Pokok Hukum Pasar Modal Di Indonesia*. Yogyakarta: UII Press, 2017.
- Sulistio, Tito. *Panduan IPO (Go Public)*. Jakarta: Bursa Efek Indonesia, 2015.
- Usman dkk., Marzuki. *ABC Pasar Modal Indonesia*. Jakarta: Lembaga Pengembangan Perbankan Indonesia atau Institut Bankir Indonesia dan Ikatan Sarjana Ekonomi DKI Jaya, 1990.
- Agusta, Hendrawan. "Pertanggungjawaban KHPM Dalam Proses IPO Jika Terdapat Fakta Material Yang Tidak Diungkap." *Masalah-Masalah Hukum* 49, no. 1 (2020): 53. <https://doi.org/10.14710/mmh.49.1.2020.48-60>.
- Ajayi, Victor Oluwatosin. "A Review on Primary Sources of Data and Secondary Sources of Data." *European Journal of Education and Pedagogy* 2, no. 3 (2023): 1. <https://doi.org/19810.21091/ejedu>.
- Alfred, Yon. "The Juridical Implications of The Sale and Purchase of Shares Agreement in A Closed Limited Liability Company Made by A Notary Without The Consent of The Married Couple." *Jurnal Konstatering* 1, no. 3 (2022): 1296. <https://jurnal.unissula.ac.id/index.php/jk/article/view/24247/pdf>.
- Anjani, Gevira Lovia, Mochammad Radiva Dwi Putra, Rizky Gustia Supriatna, Dimas Maulana Hasbi, and Dito Rinaldo. "Analisis Kinerja Keuangan Perusahaan Sebelum Dan Sesudah Initial Public Offering (IPO) (Studi Pada Perusahaan Berbasis Teknologi Pada Tahun IPO 2013-2021)." *Jurnal Maneksi (Management, Ekonomi, Dan Akuntansi)* 12, no. 4 (2023): 724.

<https://doi.org/10.31959/jm.v12i4.1889>.

- Ariffin, Tb. Boy B., and Rendy Renaldy. "Meningkatkan Peranan Perusahaan BUMN Yang Sudah Go Public Dalam Mengoptimalkan Pengelolaan Bisnis Berbasis Budaya Dan Kepastian Hukum." *Audi Et AP: Jurnal Penelitian Hukum* 2, no. 1 (2023): 42. <http://doi.org/10.24967/jaeap.v2i01.2079>.
- Arisudhana, Dicky. "Pengaruh Audit Delay, Ukuran Klien, Opini Audit Tahun Sebelumnya, Reputasi Kantor Akuntan Publik, Dan Return on Assets (ROA) Terhadap Pergantian Auditor Sukarela (Studi Empiris Pada Perusahaan Sub Sektor Property Dan Real Estate Yang Terdaftar Pada Bursa)." *Jurnal Akuntansi Dan Keuangan* 6, no. 1 (2017): 101. <https://doi.org/10.36080/jak.v6i1.353>.
- Boateng, Prince Yeboah, Baba Issah Ahamed, Michael Gift Soku, Salomey Osei Addo, and Lexis Alexander Tetteh. "Influencing Factors That Determine Capital Structure Decisions: A Review from The Past to Present." *Cogent Business and Management* 9, no. 1 (2022): 2. <https://doi.org/10.1080/23311975.2022.2152647>.
- C., Suja Sekhar, and Jijo Lukose P. J. "The Decision to Go Public and Business Group Affiliation: Evidence from India." *Journal of Emerging Market Finance* 21, no. 4 (2022): 14. <https://doi.org/10.1177/09726527221102391>.
- Castano, Leticia, Jose E. Farinos, and Ana M. Ibanez. "The Relevance of Legal Requirements in The Going Public Process: The Discretionary Decision of Adopting An Audit Committee." *European Journal of Management and Business Economics* 33, no. 3 (2024): 2. <https://doi.org/10.1108/EJMBE-01-2024-001810.1108/EJMBE-01-2024-0018>.
- Daffa, Muhammad, Salma Salsabila, Rizka Yusrina, and Riyanto. "Struktur Dan Pelaku Pasar Modal." *El-Mal: Jurnal Kajian Ekonomi Dan Bisnis Islam* 4, no. 4 (2023): 1175. <https://doi.org/10.47467/elmal.v4i4.2944>.
- Dewi, Aliya Sandra, and Dian Fitriana. "The Limited Company Shares Transfer Through Circular Decree Out of The Shareholders Meeting." *International Conference on State, Law, Politics, and Democracy (ICON-SLPD)* 1, no. 1 (2022): 25.

<https://openjournal.unpam.ac.id/index.php/ICon/article/view/19088>.

- Endarto, Budi, Slamet Suhartono, and Sri Setyadji. "The Principally of The Obligations of Legal Consultants As A Capital Market Supporting Profession in The Preparation of Independent Legal Due Diligence." *Journal of Law, Policy, and Globalization* 101, no. 2 (2020): 17. <https://doi.org/10.7176/JLPG/101-02>.
- Febrianto, Muhamad Rizki, Iswi Hariyani, and Bhim Prakoso. "Legal Position of Shareholders With Multiple Voting Rights in Technology-Based Limited Liability Companies in The Initial Public Offering Process." *International Journal of Advanced Multidisciplinary Research and Studies* 4, no. 3 (2024): 140. <https://www.multiresearchjournal.com/arclist/list-2024.4.3/id-2755>.
- Harahap, Agus Salim. "Proses Initial Public Offering (IPO) Di Pasar Modal Indonesia." *Forum Ilmiah Indonusa* 8, no. 2 (2011): 134–138. <https://ejurnal.esaunggul.ac.id/index.php/Formil/article/view/770/703>.
- Harahap, Anggi Purnama, Rahmad Ramadhan Hasibuan, and Lupitta Risma Candanni. "Peluang Dan Tantangan Initial Public Offering (IPO) Pada Perusahaan Start-Up Di Indonesia." *IJIEB: Indonesian Journal of Islamic Economics and Business* 5, no. 2 (2020): 40. <https://doi.org/10.30631/ijoieb.v5i2.294>.
- Harvey, Campbell R., and Daniel Rabetti. "International Business and Decentralized Finance." *Journal of International Business Studies* 55, no. 1 (2024): 840. <https://doi.org/10.1057/s41267-024-00705-7>.
- Hendarsih, Ida. "Strategi Membeli Initial Public Offering (IPO) Di Pasar Modal Perdana Indonesia." *Moneter Jurnal Akuntansi Dan Keuangan* 4, no. 2 (2017): 172–73. <https://doi.org/10.31294/moneter.v4i2.2379>.
- Heriyadi, Hengki, Yos Johan Utama, and Dedi Prasetyo. "Juridical Review of The Role and Functions of The Financial Services Authority (OJK) in The Financial System in Indonesia." *Journal of Hunan University Natural Sciences* 60, no. 11 (2023): 156. <https://doi.org/10.5281/zenodo.10121850>.

- Honjo, Yuji. "Public or Perish? From Founding to Initial Public Offering." *Review of Managerial Science* 15, no. 1 (2020): 1576–78. <https://doi.org/10.1007/s11846-020-00390-4>.
- Ireland, Paddy. "Limited Liability, Shareholder Right, and The Problem of Corporate Irresponsibility." *Cambridge Journal of Economics* 34, no. 5 (2020): 844. <https://doi.org/10.1093/cje/ben040>.
- Kholifah, Ayu, and Shelly Kurniawan. "One-Person Limited Liability Company: Considering Company's Organ Governance of The Indonesian Legal Entities for Micro and Small Enterprises." *Diponegoro Law Review* 9, no. 1 (2024): 2. <https://doi.org/10.14710/dilrev.9.1.2024.1-18>.
- Kurniawan, Setia Budi, and Mira Aisyah Nendya. "Analysis of The Effect of Profitability, Company Growth, and Liquidity on Capital Structure: A Case Study of Indonesia." *International Journal of Research in Social Science and Humanities (IJRSS)* 3, no. 2 (2022): 27. <https://doi.org/10.47505/IJRSS.2022.V3.2.4>.
- Laniati, Ratna, Sang Ayu Putu Rahayu, and Bastian Chris Daren. "Implementation of Go Public in The Development Indonesian Company Law." *Law Research Review Quarterly (Journal for Law, Justice, and Crime in Indonesia and Southeast Asia)* 9, no. 4 (2023): 585; 596. <https://doi.org/10.15294/lrrq.v9i4.75656>.
- Lukkarinen, Anna, and Armin Schwienbacher. "Secondary Market Listings in Equity Crowdfunding: The Missing Link?" *Research Policy* 52, no. 2 (2023): 3. <https://doi.org/10.1016/j.respol.2022.104648>.
- Maria, Felicia, and Ulya Yasmine Prisdani. "Establishing A Limited Liability Company: A Comparative on Singaporean and Indonesian Law." *The Law Preneurship Journal* 1, no. 1 (2021): 46; 51. <https://doi.org/10.21632/tlj.1.1.43-57>.
- Munir, Misbakhul. "Perlindungan Hukum Bagi Investor Terhadap Praktek Strategic Listing Dalam Pasar Modal." *Sangaji: Jurnal Pemikiran Syariah Dan Hukum* 8, no. 1 (2024): 82. <https://doi.org/10.52266/sangaji.v8i1.2562>.
- Ningsih, Ayup Suran. "Rules Regarding Mandatory Equity Securities Listing: Is It Possible for A Public Company Without Listing on The Indonesian Stock Exchange?" *Jurnal Penelitian Hukum De Jure* 22, no. 3 (2022): 290.

- <http://dx.doi.org/10.30641/dejure.2022.V22.285-294>.
- Octareza, Ikhfan, and Kurniawan. "Tinjauan Yuridis Terhadap Penerapan Prinsip Keterbukaan Di Dalam Pasar Modal Sebagai Bentuk Perlindungan Hukum Terhadap Investor Ditinjau Dari Undang-Undang Nomor 8 Tahun 1995 Tentang Pasar Modal." *Jurnal Commerce Law* 3, no. 1 (2023): 237–38. <https://doi.org/10.29303/commercelaw.v3i1.2811>.
- Phillips, Veronica, and Eleanor Barker. "Writing for Publication: Structure, Form, Content, and Journal Selection." *Journal of Perioperative Practice* 31, no. 6 (2021): 232. <https://doi.org/10.1177/1750458921996249>.
- Pinto, Gerard. "The Cost of Going Public and Financial Constraints." *Financial Markets and Portfolio Management* 38, no. 1 (2024): 446. <https://doi.org/10.1007/s11408-024-00456-3>.
- Pokorna, Jarmila, and Eva Vecerkova. "The Limited Liability Company As A Universal Legal Form of Business." *Procedia Economics and Finance* 12, no. 1 (2014): 537. [https://doi.org/10.1016/S2212-5671\(14\)00376-1](https://doi.org/10.1016/S2212-5671(14)00376-1).
- Pujiono, Dewi Sulistianingsih, and Laga Sugiarto. "Reformasi Birokrasi Perizinan Berusaha Melalui Online Single Submission (OSS)." *Arena Hukum* 15, no. 3 (2022): 655. <https://doi.org/10.21776/ub.arenahukum.2022.01503.10>.
- Ramadhani, Nur Indah Putri, and Rianda Dirkareszha. "Penyelesaian Sengketa Terhadap Risiko Yang Dihadapi Pemodal Pada Securities Crowdfunding Di Indonesia." *Jurnal Ius Constituendum* 6, no. 2 (2021): 306. <https://doi.org/10.26623/jic.v6i2.3774>.
- Sobandi, Hilda Amadea, Muhammad Farel Andaresta, Reynara Shafira Putri, and Indrayana. "Tinjauan Yuridis Dalam Pasar Modal: Analisis Tahapan Initial Public Offering (IPO)." *Jurnal Syntax Admiration* 5, no. 7 (2024): 2787–88. <https://doi.org/10.46799/jsa.v5i7.1290>.
- Sufiarina, Muhammad Ali, Mufrina, Ahmad Maulana, and Hendry Frand Tia. "Legal Dynamics of Limited Liability Companies: Unveiling The Power of Commissioners and Shareholders to Take Legal Action Against Directors' Negligence." *Unnes Law Journal* 9, no. 2 (2023): 273. <https://doi.org/10.15294/ulj.v9i2.75526>.
- Sufiarina, Yetti, Sri Wahyuni, and M. Wira Utama. "The Organization

- of The General Meeting of Shareholders Based on Court Determination from The Perspective of Shareholder Rights' Protection." *PJIH: Pandjajaran Jurnal Ilmu Hukum Journal of Law* 9, no. 2 (2022): 40. <https://doi.org/10.22304/pjih.v9n2.a2>.
- Sulistianingsih, Dewi, Andry Setiawan, and Muchammad Shidqon Prabowo. "Potret Tumpuan Perguruan Tinggi Dalam Upaya Alih Teknologi." *Seminar Nasional Hukum Universitas Negeri Semarang* 7, no. 2 (2021): 693. <https://doi.org/10.15294/snhunnes.v7i2.722>.
- Tarina, Dwi Desi Tari, Nafsi Khotimah Disty Astari, Presyta Nurhalida Putri, and Tiara Putri Ramadhani. "Perseroan Terbatas Di Indonesia Setelah Berlakunya Undang-Undang Nomor 11 Tahun 2020 Tentang Cipta Kerja." *Research Gate* 1, no. 1 (2021): 8. [https://www.researchgate.net/publication/356595363\\_Perseroan\\_Terbatas\\_Di\\_Indonesia\\_Setelah\\_Berlakunya\\_Undang-Undang\\_Nomor\\_11\\_Tahun\\_2020\\_Tentang\\_Cipta\\_Kerja](https://www.researchgate.net/publication/356595363_Perseroan_Terbatas_Di_Indonesia_Setelah_Berlakunya_Undang-Undang_Nomor_11_Tahun_2020_Tentang_Cipta_Kerja).
- Utami, Amalia, Rina Br. Bukti, and Abdhy Aulia Adnans. "Analysis of Vousinas Fraud Hexagon Theory on The Detection of Financial Statement Fraud in Service Companies Listed on Indonesia Stock Exchange (IDX) 2018-2022." *International Journal of Current Science Research and Review* 7, no. 8 (2024): 6168. <https://doi.org/10.47191/ijcsrr/V7-i8-30>.
- Yuspin, Wardah, and Nur Rohmah Wati. "The Urgency of A Legal Protection on Equity Crowdfunding Services Based on The Regulation of The Indonesian Financial Service Authority Number: 57/POJK.04/2020." *International Journal of Multicultural and Multireligious Understanding* 9, no. 2 (2022): 415. <http://dx.doi.org/10.18415/ijmmu.v9i2.3536>.
- Indonesia, Republic. Financial Services Authority Regulation Number: 57/POJK.04/2020 on Securities Offering Through Information Technology-Based Crowdfunding Services (2020).
- . Financial Services Authority Regulation Number: 7/POJK.04/2017 on Registration Statement Documents for Public Offerings of Equity Securities, Debt Securities, and/or Sukuk (2017).
- . Law Number 8 of 1995 on Capital Markets (1995).



**This Page Is Intentionally Left Blank**

## **Acknowledgment**

None.

## **Funding Information**

None.

## **Conflicting Interest Statement**

The authors state that there is no conflict of interest in the publication of this article.

## **Publishing Ethical and Originality Statement**

All authors declared that this work is original and has never been published in any form and in any media, nor is it under consideration for publication in any journal, and all sources cited in this work refer to the basic standards of scientific citation.