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Legal Certainty of Stock Guarantee in Margin Transactions in the Indonesian Capital Market

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Abstract
Capital market developments have encouraged an increase in margin transactions that use shares as collateral. Fluctuations in stock prices can pose a risk to the adequacy of collateral and potentially affect legal certainty. Article 30 of POJK Number 6 of 2024 gives securities companies the authority to set stricter provisions without clear parameters, thus potentially causing ambiguity of norms and legal uncertainty. This study aims to analyze the arrangement of share guarantees in margin transactions as well as legal certainty related to the adequacy of collateral based on POJK Number 6 of 2024. This research is a normative legal research with a statutory and conceptual approach. The legal materials used include primary legal materials in the form of laws and regulations and secondary legal materials in the form of relevant scientific journals. The results of the study show that the regulation of stock guarantees includes financing requirements, types and criteria for securities, collateral assessment, haircuts, fulfillment of collateral shortages, and securities company actions if customers do not meet their obligations. POJK Number 6 of 2024 provides legal certainty through financing ratio standards, valuation mechanisms, fulfillment obligations, deadlines, and share sales. Stricter provisions must be included in the guarantee agreement.

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Introduction

The development of the capital market in Indonesia has currently developed rapidly, characterized by an increase in participants, transaction volumes, and faster movements of money in securities trading. The capital market has an important function in supporting Indonesia's economic activities, namely in terms of economics and finance. The capital market, in the economic aspect, functions as a means that brings together parties who have funds and parties who need funds. Funds distributed by parties who have funds can be used by parties who need funds to finance and develop their business activities without having to wait for business income to accumulate. In exchange for the funds provided, the party providing the funds expects to obtain profits or results from the investments they make. The capital market from the financial aspect, which provides a mechanism that allows parties who have funds to distribute their funds to parties in need without having to be directly involved in the management of financed business activities. [1]

Law Number 8 of 1995 concerning the Capital Market provides a definition of the capital market, namely: "Activities related to public offerings and securities trading, public companies related to the securities they issue, and institutions and professions

[1] Wawan Setiawan, Akhmad Faozan, 2021, Stock Investment on the Indonesia Stock Exchange Perspective of Sharia Economic Law. *Scientific Journal of Economics and Business*, 12(2), p. 210.

related to securities". From this definition, it can be seen that the capital market has a broad meaning, one of which is as a place for people to buy and sell securities.[2] Securities are securities that have value and can be traded in the capital market, one of which can be in the form of shares. Shares are a form of securities that show the participation of a person's capital in a company. Shares are proof of the ownership of a person or a certain party over a company that makes a public offering, with ownership expressed in a nominal amount or a certain percentage [3]. Stock trading is no longer carried out in physical form, but has switched to an electronic documentation system. Electronic recording and storage are carried out through a secure and reliable system, so that ownership of shares can be protected from the risk of loss or elimination. This fast and efficient transaction system makes trading activities with high frequency and volume in the capital market. [4] The large turnover of money in stock trading activities attracts many investors to invest their money. To support capital market conditions, a securities transaction financing mechanism has also developed that provides opportunities for investors to make transactions using financing facilities from securities companies, One form of financing for securities transactions is Margin Transactions, where securities companies provide financing to customers to purchase shares, so that a relationship is created between securities companies and customers related to the implementation of transactions and the fulfillment of financing obligations and the provision of guarantees. The existence of collateral has an important position as an instrument to ensure the settlement of customer obligations to securities companies.

Regulations regarding the financing of securities transactions in Indonesia are regulated in the Financial Services Authority Regulation Number 6 of 2024 concerning Financing of Securities Transactions by Securities Companies for Customers and Short Selling Transactions by Securities Companies (hereinafter referred to as POJK Number 6 of 2024). Shares as a form of security can be part of the financing guarantee in margin transactions as long as they meet the requirements specified in capital market regulations. The use of shares as financing collateral has different characteristics compared to collateral objects that have a fixed relative value. Stock prices can fluctuate significantly in a short period of time due to various factors, including market conditions, company performance, and global economic developments. These fluctuations can cause volatility that has the potential to cause a rapid and unexpected decline in investment value. [5]

POJK Number 6 of 2024 has regulated parameters regarding the adequacy of financing guarantees in margin transactions, including Article 26 mentions the 65% ratio as the maximum financing limit and Article 29 states that the 80% ratio is a condition that requires the sale of Securities. Legal issues arise in the next article, namely Article 30 states: "Securities companies may determine the financing mechanism and the maximum financing ratio to make requests for the fulfillment of guarantees to customers and/or the sale of customer securities more stringent than the financing mechanism and the maximum financing ratio as referred to in Article 19, Article 22, Article 25, Article 26, Article 27 and Article 29". This phrase "stricter" provides legal uncertainty by providing space for securities companies to set stricter mechanisms and ratios without clear parameters, even though the previous articles have clearly provided a fairly structured mechanism regarding initial guarantees, financing ratio limits, requests for fulfillment of guarantees, and sale of securities. Then regarding the limits of the application of this authority, the extent to which securities companies can set stricter standards and how these standards must be known and applied to customers can cause ambiguity in the norms. Based on this description, the author is interested in making a scientific journal paper entitled "Legal Certainty of Stock Guarantee in Margin Transactions in the Indonesian Capital Market".

This research uses a normative legal research method, namely by examining legal issues based on legal science in depth to the legal norms that are formed. [6] This research uses several approaches, namely a legislative approach by examining Law Number 8 of 1995 concerning the Capital Market and Financial Services Authority Regulation Number 6 of 2024, as well as a conceptual approach by examining the issue of stock guarantees in margin transactions using the theory of legal certainty and the principles of guarantees. Furthermore, the legal materials used to analyze this research include binding primary legal materials, namely laws and regulations, and secondary legal materials, namely scientific journals that are relevant to the legal issues being studied.

Problem Formulation

1. How is the stock guarantee arrangement in margin transactions in the Indonesian capital market?
2. What is the legal certainty of the adequacy of the stock guarantee if there is a decrease in the share price in margin transactions in the Indonesian capital market?

Purpose

This study aims to analyze the regulation regarding stock guarantees in margin transactions based on Indonesian capital market laws and to analyze legal certainty regarding the adequacy of stock guarantees when there is a decrease in share prices in margin transactions, including the limits of the authority of securities companies in establishing stricter financing mechanisms.

Discussion

A. Stock Guarantee Arrangements in Margin Transactions in the Indonesian Capital Market

Margin transactions are a form of securities transactions carried out by securities companies through the provision of financing facilities to their customers. Securities companies provide and provide some of the funds needed by customers for the purchase of securities, so that customers do not fully use personal funds in purchasing shares, but rather obtain financing from securities companies to fulfill the securities purchase transaction. [7]

[2] Mas Rahmah, 2019, *Capital Market Law*, cet-1, Prenadamedia, Jakarta, p. 1.

[3] July Asril, 2019, Margin Trading in the Capital Market and Its Regulation in Indonesia. *MEA Scientific Journal (Management, Economics, & Accounting)*, 3(1), p. 259-260.

[4] Ferry Kiandi, 2016, Legal Protection in Margin Trading Transactions and Short Sales in the Capital Market. *Premise Law Journal*, 6, p. 1.

[5] Bernard Nainggolan, *Capital Market Law Textbook*, Publika Global Media, Yogyakarta, p. 43.

[6] Djulaeka, Devi Rahayu, *Textbook of Legal Research Method*, Scopindo Media Pustaka, Surabaya, p. 10.

[7] Ferry Kiandi, *op.cit*, h. 2.

Normatively, the regulation of margin transactions is not regulated in Law Number 8 of 1995 concerning the Capital Market. The Capital Market Law only regulates provisions regarding transactions in the capital market in general. The regulation, guidance, and supervision of the capital market is carried out by the Financial Services Authority based on Article 55 paragraph (1) of Law Number 21 of 2011 concerning the Financial Services Authority. Supervision is carried out preventively through regulations and coaching, as well as repressively through inspection, investigation, and sanctions. [8]

Margin transaction activities are regulated in Financial Services Authority Regulation Number 6 of 2024 concerning Securities Transaction Financing by Securities Companies for Customers and Short Selling Transactions by Securities Companies, which is a refinement of the previous provisions stipulated in Financial Services Authority Regulation Number 55/POJK.04/2020 concerning Securities Transaction Financing by Securities Companies for Customers and Short Selling Transactions by Securities Companies. The improvement of the rules is related to governance aspects and the principle of prudence in the implementation of securities transaction financing to customers by securities companies. The issuance of POJK Number 6 of 2024 is directed to encourage increased liquidity and deepening of the financial market through margin transaction financing and/or short selling, as well as strengthening the implementation of risk management for securities companies that provide securities transaction financing to customers and those who conduct short selling transactions. [9]

Margin transactions aim to attract investors from all walks of life to be able to invest and buy shares even with limited funds to finance the entire transaction value, in order to support the market's ability to accommodate all the needs of sellers and buyers at all times, thereby increasing the volume of national economic activities. The use of margin transactions creates a legal relationship between customers and securities companies, first, the relationship between customers and securities companies as a financing relationship. Second, the relationship arising from the implementation of stock transactions in the capital market. The legal relationship regarding stock guarantees between debtors (securities companies) and creditors (customers) is a legal relationship based on trust. [10] The securities company provides financing so that the customer can buy shares with a transaction value greater than the funds it owns, in return the securities company acquires the right to request the fulfillment of the guarantee if the value of the guarantee no longer meets the predetermined requirements.

The provision of financing by securities companies to customers is not carried out freely, based on Article 11 of POJK Number 6 of 2024, in providing financing for the settlement of margin transactions or short selling transactions to customers, the Securities Company is obliged to consider the requirements that must be met by customers at least:

Have a smooth transaction history as evidenced by:
1. have an active regular Securities account; and
2. the quality of financing Securities transactions on behalf of the customer concerned in the financial information service system of the Financial Services Authority are categorized as smooth, if there is already financing;
3. has opened a Margin Transaction Financing Securities Account for customers who will conduct Margin Transactions or Short Selling Transaction Financing Securities Account for customers who will conduct Short Selling Transactions with Securities Companies based on Financing Agreements; and
4. has deposited the Initial Guarantee for each Margin Transaction Financing Securities Account and Short Selling Transaction Financing Securities Account.

This requirement basically aims to ensure that customers have an adequate understanding of the risks of margin transactions and the ability to fulfill the obligations arising from the transaction, because margin transactions contain a greater level of risk compared to cash transactions. In addition to potentially incurring losses due to a decline in share prices, customers are still obliged to fulfill payment obligations to the Securities Company for the financing that has been provided. Securities Companies in providing financing facilities must be guided by the principle of prudence, because it is an activity that is within the scope of capital market regulation and supervision.

The legal relationship between the customer and the securities company is outlined in an agreement as a form of application of the principle of freedom of contract in Article 1338 paragraph (1) of the Civil Code. The guarantee agreement basically has a consensual nature, namely born and binding on the parties since the agreement between the creditor and the debtor is reached. The agreement is generally stated in a written agreement that contains provisions regarding the rights and obligations of each party as well as the regulation of the object used as collateral as a form of legal protection in the implementation of margin transactions. [11] The principle of freedom of contract provides space for securities companies and customers to determine the provisions that govern their contractual relationships, including the termination or cancellation of agreements, changes or updates to contract terms, and the imposition of sanctions in the event of violations of the agreement. [12] Article 12 of POJK Number 6 of 2024 requires that the agreement at least contain the level of investment risk, the collateral valuation policy, the type of securities that can be collateral, fair market value, haircut, the customer's obligation to meet the guarantee fulfillment request, and the right of the securities company to take certain actions if the customer does not meet the request.

Shares in margin transactions have a different position from

[8] I Nengah Suardana, *et al*., 2020, Legal Protection for Investors Based on the Principle of Openness by Issuers in the Capital Market. *Journal of Legal Analogy*, 2 (2), p. 184-185.

[9] Financial Services Authority, 2024, Press Release: OJK Issues Rules for Financing Securities Transactions by Securities Companies and *Short Selling Transactions*, https://ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/OJK-Terbitkan-Aturan-Pembiayaan-Transaksi-Efek-Oleh-Perusahaan-Efek-dan-Transaksi-Short-Selling.aspx?utm_source=chatgpt.com, accessed on September 19, 2026.

[10] Dwi Tatak Subagiyo, 2018, *Guarantee Law in the Perspective of the Fiduciary Guarantee Law (An Introduction)*, UWKS Press, Surabaya, p.30.

[11] Achmad Fahrur Rozi, 2023, Analysis of the Concepts, Principles, and Implementation of Guarantee Law in Guaranteeing Certainty and Protection for Creditors and Debtors in Indonesia. *Journal of Social Sciences Research*, 1(3), p. 143.

[12] Juli Asril, *op.cit*, p. 263.

shares purchased through cash transactions. These shares can be part of the financing guarantee for customer obligations. Based on POJK Number 6 of 2024, the value of financing guarantees includes money recorded as a credit balance and fair market value, effects on long positions after accounting for haircuts. This provision shows that shares are not valued based on their nominal value, but based on fair market value which is then adjusted to the haircut.

Share guarantee implements the principle of publicity which means that the imposition of an object with collateral rights must be carried out openly through a mechanism of announcement to the public. [13] The principle of publicity cannot be applied identically to the mechanism of registration of dependent or fiduciary rights because the character of shares as securities and the mechanism for recording them are in the capital market system, but the substance of the principle of publicity can be used to assess the disclosure and information regarding the existence and mechanism of financing guarantees to customers. Customers must know from the outset that shares used in margin transactions can be collateral financing and that changes in the value of shares may give rise to obligations to meet the lack of collateral.

Not all shares can be used as collateral in margin transactions, based on the Decree of the Board of Directors of PT Bursa Efek Indonesia Number Kep-00157/IDX/10-2024 concerning Amendments to Regulation Number II-H concerning Requirements and Trading of Securities in Margin Transactions and Short Selling Transactions, the stock exchange has the authority to determine securities that meet the requirements to be traded and/or used as collateral in margin transactions. Securities that meet these criteria are then listed in the list of securities and must be announced to the public and submitted to the OJK periodically on the last business day of each month. The following are the criteria for stocks as securities that can be traded:

For shares that have been listed for more than 12 (twelve) months, the following requirements must be met:

1. Traded at least 90% (ninety percent) of the total number of Exchange Days for the last 6 (six) months; and
2. Traded on the Regular Market in the last 6 (six) months with:
3. The average daily transaction value is more than IDR 5,000,000,000.00 (five billion rupiah); or
4. The average daily transaction value is more than IDR 250,000,000.00 (two hundred and fifty million rupiah) and the average daily transaction volume is more than 500,000 (five hundred thousand) shares.

For shares that have been listed for at least 3 (three) months to 12 (twelve) months, the following requirements must be met:

- **Traded at least 90% (ninety percent) of the total number of Exchange Days during:**

1. At least the last 3 (three) months, for shares that have been listed on the Exchange for less than 6 (six) months; or
2. (six) months, for shares that have been recorded for 6 (six) months or more.

Traded on the Regular Market with:

- **The average daily transaction value is more than IDR 10,000,000,000.00 (ten billion rupiah) during:**

1. At least the last 3 (three) months, for shares that have been listed on the Exchange for less than 6 (six) months; or
2. The last 6 (six) months, for shares that have been listed on the Exchange for 6 (six) months or more;

The average daily transaction value is more than IDR 500,000,000.00 (five hundred million rupiah) and the average daily transaction volume is more than 1,000,000 (one million) shares during:

1. At least the last 3 (three) months, for shares that have been listed on the Exchange for less than 6 (six) months; or
2. The last 6 (six) months, for shares that have been listed on the Exchange for 6 (six) months or more.

The valuation of collateral is an important aspect of margin transactions because it determines the ability of the stock to guarantee financing. The valuation of shares can basically be done through three approaches, namely book value, market value, and intrinsic value. The book value of shares shows the value of the shares based on the financial condition recorded in the company's books, which is obtained from the difference between the total assets and liabilities and then divided by the number of shares outstanding. This value describes the position of the value of the company's assets at a certain time, but does not necessarily reflect the actual economic value if there is a significant change in the value of the asset. The value of the stock market is formed based on the mechanism of demand and supply in the capital market, so the stock price can be influenced by various factors, such as the company's performance, financial conditions, industry developments, and economic situation. Meanwhile, the intrinsic value of the stock is obtained through an assessment of the company's fundamental condition by considering revenue, profit, financial ratio, and other factors that affect the company's prospects in the long run. The valuation can be used to find out whether the stock price in the market is below or above its fair value. [14]

The valuation of shares to measure the adequacy of collateral applies the principle of specialty. The principle of speciality is a principle that requires the object of collateral to be determined specifically and clearly. The application of this principle is intended to ensure that goods or rights used as collateral can be easily identified, so as to prevent the occurrence of legal ambiguity and uncertainty. [15] The application of the specialty principle can be seen from the clear identification of the shares that are collateral, the financing value, and the collateral valuation mechanism. This clarity is important when there is a decline in the stock price. Changes in stock prices must be able to be translated into changes in the value of collateral Financing is carried out objectively, so that it can be known when collateral is still sufficient and when the customer is obliged to fulfill collateral. Securities companies have the authority to execute stock collateral used by customers in margin transactions if

[13] Djoni Sumardi Gozali, 2021, The Philosophical Basis and Characteristics of the Principle of Publicity in Material Guarantees. *Journal of Law and Notary*, 5(4), p. 591.
[14] Bernard Nainggolan, *op.cit*, h. 39-40.
[15] Achmad Fahrur Rozi, *op.cit*., p. 143.

customers do not fulfill their obligations.

Legal certainty on the adequacy of stock guarantees in the event of a decline in share prices in margin transactions in the Indonesian capital market

Margin transactions are securities purchase transactions for the benefit of customers whose financing is provided by the securities company. Margin transactions have advantages, namely with financing facilities from securities companies that make customers buy shares in excess of the amount they own and allow customers to get capital gains faster. The risk of loss in margin trading transactions can also arise if there is a decrease in the share price. In this condition, customers may be required to add collateral or liquidate and sell collateralized shares to securities companies. If the decline in the value of shares is significant enough, the capital that has been used by the customer may be reduced or even exhausted, while the obligation to pay to the securities company still remains so that the customer has the potential to bear the remaining debt. [16] The risk of loss in this margin transaction has been anticipated by POJK Number 6 of 2024, Articles 25 to 29 of POJK Number 6 of 2024 regulate the mechanism for the adequacy of collateral in the financing of securities transactions, including margin transactions. Article 25 of POJK Number 6 of 2024 regulates the initial guarantees that must be fulfilled by customers:

1. The value of the Initial Guarantee at the time of the first transaction submitted to the Stock Exchange using the Margin Transaction Financing Securities Account is at least:
   - 50% (fifty percent) of the purchase value of the Securities; or
   - IDR 50,000,000.00 (fifty million rupiah), used higher.
2. The assessment of the Initial Guarantee in the form of Securities must consider the Haircut.

This provision is intended to ensure that from the beginning of the transaction there are a number of guarantees that can be used to guarantee the customer's obligations to the Securities Company.

Article 26 regulates the limit of financing that can be provided by Securities Companies to customers:

1. The value of fund financing on Margin Transactions that can be provided by the Securities Company to customers is a maximum of 65% (sixty-five percent) of the value of the Financing Guarantee.
2. The assessment of Financing Guarantee in the form of Securities must consider the Haircut.

This provision regulates the existence of a ratio limit between financing and guarantees aimed at maintaining the adequacy of collateral during margin transactions, where changes in the value of the shares used as collateral will affect the ability of the collateral to guarantee the financing provided by the securities company.

Article 27 regulates the following:

1. If the value of the Financing Guarantee decreases so that the total financing value as intended in Article 26 exceeds 65% (sixty-five percent) of the value of the Financing Guarantee, the Securities Company is obliged to make a Guarantee Fulfillment Request to the Securities Company's customers.
2. The Customer as intended in paragraph (1) is obliged to fulfill the Guarantee Fulfillment Request, so that the financing value does not exceed 65% (sixty-five percent) of the value of the Financing Guarantee as intended in Article 26.

Article 28 regulates the obligation of securities companies to sell securities that are collateral, the customer is given no later than three days of the exchange to fulfill the request, and if it is not fulfilled, on the fourth trading day the securities company is obliged to immediately sell the securities that are collateral to return the financing ratio in accordance with the specified limit. This provision provides clear legal consequences for the customer's failure to fulfill the obligation to add collateral. Article 29 regulates the condition when the value of the financing has reached 80% of the value of the financing collateral. In this circumstance, the securities company is obliged to immediately sell the securities that are collateral to return the highest financing ratio of 65% of the value of the financing collateral. The sale can be made with or without notice to the customer, which indicates that there is a stricter protection mechanism when the collateral value is significantly reduced.

The main characteristic of stocks as collateral is their fluctuating value, in contrast to financing obligations which are basically the amount owed by customers to securities companies, the value of shares that are collateral changes according to market prices. Through POJK Number 6 of 2024, it has been determined that the value of financing guarantees includes funds placed by customers and the fair market value of securities in long positions after considering haircuts. Haircut itself is a factor that reduces fair market value.

The mechanism regarding the regulation of the adequacy of stock guarantees in the event of a decrease in share prices in margin transactions in POJK Number 6 of 2024 has reflected legal certainty. Gustav Radbruch defines legal certainty as meaning that positive law must be able to provide stability, predictability, and protection for citizens, so that everyone can determine and plan their actions based on clear and understandable legal provisions. Without legal certainty, law risks becoming only a set of moral values that are abstract and difficult to apply concretely in people's lives and in judicial practice. [17] POJK Number 6 of 2024 has provided legal certainty and protection against financing risks through limiting initial guarantees to a minimum of 50% of the purchase value of securities or 50 million and financing a maximum of 65% of the value of financing guarantees. If the financing ratio exceeds 65%, the customer is obliged to fulfill the guarantee fulfillment request within three trading days at the latest, and if it is not met, the securities company is obliged to sell the securities on the fourth trading day. Meanwhile, if the ratio reaches 80%, the sale of securities must be carried out immediately to reduce the financing ratio to a maximum of 65%. The structure of this rule shows the existence of three layers of protection, namely the normal

[16] Ratu Amanda Nitami Meryana, 2025, Juridical Study of Legal Protection in Margin Trading and Short Sales Transactions in the Capital Market. Journal of Egalitarian Law, 2(3), p. 457.

[17] Muhammad Bintang Firdaus, 2025, The Dialectic of Justice, Certainty, and Legal Utility in Gustav Radbruch's Perspective on Indonesian Law. *Journal of Legal and Public Policy Studies*, 3(1), p.360.

financing limit of 65%, the mechanism for fulfilling the guarantee when the ratio exceeds 65%, and immediate action when the ratio reaches 80% as an implementation of legal certainty because it regulates clearly and logically.

Legal certainty regarding share guarantees in capital market transactions is not reflected in Article 30 of POJK Number 6 of 2024, the previous articles have been clearly regulated, but in Article 30 it is stated: "Securities companies may determine the financing mechanism and maximum financing ratio to make a Guarantee Fulfillment Request to customers and/or sell customer Securities is stricter than the financing mechanism and maximum financing ratio as referred to in Article 19, Article 22, Article 25, Article 26, Article 27 and Article 29". The phrase "stricter" gives uncertainty to customers because it is not explained to what extent securities companies can apply this stricter mechanism for guaranteeing fulfillment requests to customers and how these standards must be notified and applied to customers. The unclarity of norms means that it can cause doubt or multiple interpretations and is arranged logically so that there is no conflict or ambiguity between one norm and another. The unclarity of a norm can cause legal uncertainty because it opens up space for the emergence of various interpretations of the same provision. [18]

Article 30 of POJK Number 6 of 2024 provides space for securities companies to determine internal standards, but does not specify a figure or formula that specifically determines the maximum limit of the tightening, thus allowing for a difference in standards between one securities company and another. The application of stricter standards will have a direct effect on when a request for collateral fulfillment can be made. When the stock price decreases, the fair market value of the stock as collateral also decreases, which causes the value of the financing collateral to become smaller, so that the ratio between financing and collateral increases. Securities companies that set stricter internal standards result in a request for collateral fulfillment can occur before the ratio reaches the maximum limit determined by POJK. This condition is a consequence of the application of more conservative risk management and in principle can be justified as long as the basis for its application has been clearly determined and known by the customer.

Securities companies in providing financing apply the principle of prudence which requires institutions engaged in the financial sector, especially in fund allocation and financing activities, to carry out their business activities carefully, prudently, and pay attention to potential risks to maintain the safety and stability of financial activities. [19] It is important for securities companies to apply the principle of prudence in providing financing, the principle of prudence functions as a guideline in making appropriate and responsible decisions, as well as ensuring that the company's activities are carried out safely, efficiently, and without causing losses. [20]

The application of Article 30 of POJK Number 6 of 2024 should be placed between the principle of securities company prudence and legal certainty for customers. Flexibility for securities companies is necessary to anticipate the risk of stock impairment, but such flexibility should not result in uncertainty regarding when customers are considered to have insufficient collateral. Stricter standards should be known, set based on a clear mechanism, and be part of the agreement between securities companies and customers.

The agreement between the securities company and the customer plays an important role in ensuring legal certainty in Article 30 of POJK Number 6 of 2024. An agreement in a margin transaction is a legal relationship between the securities company and the customer, which gives rise to rights and obligations for each party. This relationship is based on the agreement in Article 1313 of the Civil Code, which is an act between a securities company and a customer willing to bind themselves in a share guarantee agreement in a margin transaction. [21] Indonesian civil law adheres to the principle of freedom of contract as reflected in Article 1338 paragraph (1) of the Civil Code, which gives binding power to any agreement made legally. This principle is the basis for securities companies and customers to regulate legal relations, including regarding the provision of financing, the delivery of shares as collateral, the right of securities companies to sell collateral in the event of default or certain conditions, and the customer's obligation to fulfill the fulfillment of guarantees. The freedom of the parties to determine the content of the agreement is not absolute because it must meet the legal requirements of the agreement as Article 1320 of the Civil Code and is subject to special provisions in the field of capital market. [22]

Securities companies that will implement a more stringent guarantee fulfillment request are required to include it in the scope of the share guarantee agreement in this margin transaction. The legal certainty in Article 30 of POJK Number 6 of 2024 will be fulfilled if the internal ratios, collateral valuation method, haircut, guarantee fulfillment request mechanism, and consequences of securities sales are determined transparently in the risk management guidelines and clearly outlined in the financing agreement. The flexibility of the prudential principle granted to securities companies can still be used to protect their interests from financing risks, but does not reduce the ability of customers to know and estimate the consequences of a decline in the value of shares as collateral.

Closing

Conclusion

1. The regulation of share guarantees in margin transactions in the Indonesian capital market is regulated through POJK Number 6 of 2024 and the provisions of the Indonesia Stock Exchange which regulate financing requirements, types and criteria for securities that can be used as collateral, collateral assessment, haircuts, fulfillment of collateral shortages, and securities company actions if customers do not meet their obligations. Stock guarantees in margin transactions reflect the application of the principles of freedom of contract, prudence, publicity, and speciality to provide

[18] Dwi Tatak Subagiyo, *op.cit,* p. 54.

[19] Bayu Wanda Ardianto, Eduardus Bayo Sili, 2023, A Juridical Review of the Prudential Principle in Managing Stock Investment on the Indonesia Stock Exchange. *Journal of Commerce Law*, 3(1), p. 92.

[20] Maulida Isnaini, *et al*., 2024, The Application of the Prudential Principle of the Board of Directors in the Investment Management Failure of PT. ASABRI. *UNES Law Review*, 6(4), p. 11890-11891.

[21] Queen Amanda Nitami Meryana, *op.cit,* p. 455.

[22] Queen Amanda Nitami Meryana, *op.cit,* p. 456.

certainty regarding the object, value, and mechanism of collateral.

2. POJK Number 6 of 2024 has provided legal certainty regarding the adequacy of share guarantees in margin transactions with the existence of financing ratio standards, collateral valuation mechanisms, collateral fulfillment obligations, fulfillment deadlines, and stock sales mechanisms if the requirements are not met. Securities companies that will implement a stricter collateral fulfillment request are required to include it in the collateral agreement in margin transactions.

Suggestion

The Financial Services Authority needs to provide clearer parameters regarding the implementation of stricter financing ratios by Securities Companies as possible in Article 30 of POJK Number 6 of 2024. This clarity is needed so that the application of the principle of prudence in margin transactions still provides legal certainty for customers. Securities Companies also need to convey transparently to customers about financing ratios, financing guarantee assessment mechanisms, haircuts, and conditions that may give rise to Requests for Guarantee Fulfillment and Securities sales.

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