

Legal Review on Issuance of Sharia Share on Public Company in Indonesia

Fatchurrahman Geigy Haryutama^{1*} Gemala Dewi¹

¹*Faculty of Law University of Indonesia, Depok, Indonesia*

^{*}*Corresponding author. Email: fatchurrahman.geigy@outlook.com*

ABSTRACT

The application of Sharia principles in the field of law is not only limited to the area of criminal law and constitutional law, but also in civil law. One of those is capital market, which based on Act 8 of 1995. However, the Sharia principles on capital market have not been listed in that Act, so it only regulated in the Act whom made by Financial Services Authority (OJK RI), with some consideration from Fatwa issued by the National Sharia Council of the Indonesian Ulama Council (DSN-MUI). The consequence of not including Islamic principles in the legal basis of Capital Market activities in Indonesia is that there are several new terms that are only regulated in new regulations, such as the Sharia Limited Liability Company and the issuance of Sharia shares. Limited companies that apply sharia principles on it statutes, so that within their corporate organs there is a Sharia Supervisory Board, regulated in the new Limited Liability Company Law (Act 40/2007). Meanwhile, legal basis on issuance of Islamic shares is Act whom made by OJK RI, which has a significant difference from the issuance of conventional shares. OJK RI has issued a List of Sharia Securities (DES), which contains shares which are considered not contrary to the Sharia principles, after going through several screening. The criteria for shares which are not contrary to Islamic principles are based on business activities of the company that issued the shares, as regulated in POJK No. 15 of 2015, which considers MUI DSN Fatwa Number 40 of 2007. In order for shares issued by a public company to become one of the Sharia Securities Lists, every public company must go through several screening, such as business screening, financial screening, and halal requirements. This research focuses on providing a comprehensive review related to regulations on the issuance of sharia shares in Indonesia, and compared with regulations in Malaysia and Singapore. This research method is a normative method using the laws and regulations used in Indonesia, Malaysia and Singapore. In general, this research focuses on government policy in terms of issuance of sharia shares.

Keywords: *sharia share, issuance, public company*

1. INTRODUCTION

The most fundamental difference between conventional Capital Markets in general and the Islamic Capital Market, of course lies in the application of sharia principles in every activity carried out in Capital Market activities. Starting from the creation of products, making securities issuance contracts, trade transactions, along with other activities. This is done so that every activity carried out does not contain some elements that are contrary to Islamic principles, including the elements of gambling (maysir), uncertainty (gharar), usury, and injustice. Sharia capital market is not only found in Indonesia, but also in several countries such as Malaysia, UAE, Saudi Arabia, and even the United Kingdom and Germany.

Counting 22 years, the implementation of the Sharia Capital Market has been running. Since the issuance of Islamic mutual funds in 1997, until it developed into a variety of other Islamic capital market products. Products in the implementation of sharia capital market in Indonesia, among others, the effects of Sharia form of Islamic stocks, bonds, Islamic mutual funds and exchange

traded funds (ETF). Practically, the initiative to start the implementation of the Sharia Capital Market in Indonesia is relatively fast given the legal basis regarding the implementation of the conventional Capital Market was enacted only in 1995, namely through Law Number 8 of 1995 concerning Capital Markets (Capital Market Law). However, bearing in mind that the Law was formed before Sharia Capital Market practices began, the principles of Sharia in the operation of the Capital Market have not been included. Even so, Sharia Capital Market practices have a legal framework and are accommodated in a number of implementing regulations issued by the OJK and Fatwa issued by the National Sharia Council of the Indonesian Ulama Council.

Some fatwas issued by DSN-MUI include, DSN-MUI Fatwa No: 20 / DSN-MUI / IV / 2001 concerning Investment Implementation Guidelines for Sharia Mutual Funds, DSN-MUI Fatwa No:40/DSN-MUI/X/2003 concerning the Capital Market and General Guidelines for the Application of Sharia Principles in the Capital Market Sector , DSN-MUI Fatwa Number 80/DSN-MUI/III/2011 concerning the Application of Sharia Principles in Equity Securities Trading Mechanisms in the Regular Stock

Exchange Market. Meanwhile, a few implementing regulations issued by the OJK, among others OJK Regulation Number 15 of 2015 concerning the Application of Sharia Principles in the Capital Market and OJK Regulation Number 17 of 2015 concerning Issuance and Requirements of Sharia Securities in the Form of Shares by Sharia Issuers or Sharia Public Companies.

Based on the report included in the Sharia Capital Market Roadmap formed by OJK in 2014, it was mentioned that the number of sharia securities (shares, mutual funds, bonds and sukuk) reached 445 trillion rupiah, and worth around 2965 trillion rupiah. This number is predicted to increase along with the reduction of the general public in relation to the implementation of the Sharia Capital Market in Indonesia. The existence of this report and the formation of a Roadmap related to the planned development of Sharia Capital Market activities in Indonesia shows that the implementation of the Sharia Capital Market cannot be underestimated, because its activities have enormous potential both for the private and public sectors.

Similarly, capital market activity in general, in the Islamic Capital Markets there also many parties involved such as, the Stock Exchange, the Capital Market Supervisory Agency, the Clearing and Guarantee Institution, the Depository and Settlement Institution, the Securities Company, the Issuer, and the Capital Market Supervisory Agency, which are now assigned and its authority is handed over to OJK based on Law Number 21 Year 2011 concerning the Financial Services Authority. In organizing the Sharia Capital Market, there are a number of additional parties involved namely the Sharia Supervisory Board, the National Sharia Council of the Indonesian Ulama Council (DSN-MUI), and the Capital Market Sharia Expert.

The Sharia Capital Market is directly supervised by the OJK through the OJK Capital Market Supervisory Chief Executive. As explained earlier, the legal basis for the implementation of the Sharia Capital Market in Indonesia was formed by the OJK based on considerations from DSN-MUI. That is because the duties and authority previously owned by the Capital Market Supervisory Agency based on the Capital Market Law to regulate and supervise Capital Market activities have shifted to OJK in line with the enactment of the OJK Regulation. Therefore, for the implementation of the Sharia Capital Market that has not been accommodated in the Capital Market Law, the legal basis is established by the OJK. However, the consequences of not accommodating sharia principles in regulations at the level of law also have the potential to cause overlap between one implementing regulation and other implementing regulations. Therefore, it is necessary to study the share issuance scheme carried out by Islamic public companies, to get a comprehensive picture of the flow of thinking of the regulations that govern these activities.

The urgency of the assessment is related to the issuance of shares by Islamic public companies, at least based on 2 reasons. The first reason, there is no regulation regarding the issuance of sharia securities, mainly Islamic shares at the level of regulations in the form of laws. In fact, the

establishment of a special law related to the issuance of sharia shares can increase investors' sense of security to invest in Indonesia. Therefore, it will discuss the urgency of establishing regulations at the level of the Law on the issuance of sharia securities, mainly related to the issuance of shares. The second reason, there is confusion whether public companies that carry out company activities based on sharia principles are regulated in Law Number 40 of 2007 on Limited Liability Companies will always issue sharia shares as stipulated in POJK 17/2015.

In this study, there are several concepts that require a prefix definition to form an understanding framework related to this research topic. Considering the big topic in this research is related to the issuance of sharia shares in the Sharia Capital Market, the definition of the Capital Market in general is explained first. Based on the provisions in Article 1 number 13 of Law Number 8 of 1995 concerning the Capital Market, what is meant by the Capital Market is activities related to the Public Offering and trading of Securities, Public Companies related to the Securities issued, and institutions and professions related to Effect. The difference between the Islamic capital market and the capital market in general lies in the Islamic principles applied in its activities. The principle of sharia itself can be interpreted as a rule of agreement based on Islamic law between one party and another party that highlights aspects of divinity, justice, equality (deeds) and honesty, in transactions, ethical investments, promoting the values of togetherness and brotherhood in production and avoiding activities speculative from various Islamic transactions (Sutedi, 2014).

Through the definition related to the sharia principles, it can be concluded that what is meant by the Islamic capital market is the activities concerned with public offerings and securities trading, public companies related to the issuance of securities, and institutions and professions related to securities, taking into account several aspects which is regulated in Islamic law. As organizers and supervisory activities of the Capital Market in Indonesia, the FSA RI provides definitions related to Islamic capital market in POJK Number 15 of 2015, that the Islamic capital market constitute capital market activities which have special characteristics that formed from the fulfillment of sharia principles in creating a product, make contracts in the issuance of sharia securities, conducting trade transactions, and conducting other capital market activities.

One of the special concepts discussed in this study is a public company, which is a company that meets the criteria for the number of shareholders and paid up capital in accordance with the provisions in the capital market. In special regulations established by OJK RI, it can be seen that what is meant by a sharia public company is a public company whose articles of association state that the activities and types of business and ways of managing their business are based on Islamic legal principles in capital market activities based on the fatwa of the National Sharia Council - Indonesian Ulama Council which does not conflict with OJK regulations.

In the case of public offering activities in the Islamic capital market, there are several parties, including issuers, public companies, and sharia public companies / companies. Sharia issuers themselves are parties that conduct a public offering whose articles of association state the activities and types of businesses and how to manage their businesses based on sharia principles. Furthermore, it should be explained also the definition of the sharia effects which is affect that contract, how the management, operations, assets which form the basis of the contract, how the management, operations, and/or assets associated with the issuer, not against with sharia principles. Meanwhile, based on the DSN-MUI Fatwa related to the Sharia Capital Market, it is explained that what is meant by sharia shares is proof of ownership of a company that fulfill several stipulated sharia criteria.

This research is a qualitative type of research, to analyze the existing laws and regulations in Indonesia related to the Sharia Capital Market. The data to support this research were obtained by interviewing several institutions involved in conducting Sharia Capital Market activities in Indonesia, such as the National Sharia Council of the Indonesian Ulama Council, Financial Services Authority, as well as some experts who are experts in the Sharia Capital Market. Not only using primary data, this study also uses secondary data, namely the laws and regulations concerning the implementation of the Sharia Capital Market that currently applies in Indonesia and the literature relating to the topic of this study. The secondary data is then enriched by scientific articles, journals, and other scientific literature.

2. RESULTS AND DISCUSSION

2.1. Analysis of Sharia Stock Issuance Regulation in Indonesian Positive Law

As is well known, that the application of sharia principles in capital market activities in Indonesia has not been carried out in laws and regulations at the level of law, particularly in Law Number 8 of 1992 concerning Capital Markets. Therefore, to be able to understand the application of sharia principles in capital market activities in Indonesia, specifically related to the issuance of sharia shares, it is necessary to re-discuss the fatwa issued by the National Sharia Council of the Indonesian Ulama Council (DSN-MUI) several years after the Market Law Capital is imposed, namely DSN MUI Fatwa Number 40 of 2003 concerning Capital Markets and General Guidelines on the Application of Sharia Principles in the Capital Market Sector.

In the fatwa , it is mentioned in Article 4 paragraph (2) of Fatwa Number 40 of 2003 that what is meant by Sharia Shares as one type of Sharia Securities is proof of ownership of a company that meets the criteria as stated in Article 3, and does not include shares that have special rights. Meanwhile, the criteria for sharia shares referred to in this article are shares issued by companies which,

- a. the types of businesses, products, services provided, contracts, and ways of managing their companies are not contrary to sharia principles;
- b. the types of business activities are not gambling, ribawi financial institutions, food illicit drinks, goods / services that are morally damaging and mudharat;
- c. having Sharia Compliance Officer; and
- d. the level of corporate debt to ribawi financial institutions is more dominant than capital, as regulated in Article 3 of the same fatwa.

Furthermore, it is explained in Article 2 that if the company that issues shares meets some of the sharia criteria contained in Article 3, then the shares issued will obtain a Sharia Compliance Statement.

When referring to the regulatory scheme regarding the issuance of sharia shares, which is regulated in Fatwa DSN MUI Number 40 of 2003 concerning Capital Markets and General Guidelines on the Application of Sharia Principles in the Capital Market Sector, it can be seen that a stock can be referred to or classified as a Sharia stock, if it has been stated through the Sharia Conformance Statement, which is obtained due to several aspects of the company issuing shares This is not contrary to Islamic principles. In the fatwa, it is not at all mentioned that there is a share issuing company that applies sharia principles in its articles of association.

It is considering, Limited Liability Company Act which applies when it is Law Number 1 Year 1995 on Limited Liability Company, which is in it is not regulating the application of Sharia principles in the activities of the business of the limited liability company. Then in Law Number 40 of 2007 concerning Limited Liability Companies, governs the application of sharia principles in the articles of association of the company and regulates the existence of the Sharia Supervisory Board.

DSN MUI Fatwa Number 40 of 2003 concerning Capital Markets and General Guidelines for the Application of Sharia Principles in the Capital Market Sector, later became a consideration for BAPEPAM-LK, which at that time was acting as a regulator in Capital Market activities in Indonesia. Through the Decree of the Chairman of Bapepam and LK Number Kep-130/BL/ 2006 dated November 23, 2006 regulated in Rule Number IX.A.13 regarding the issuance scheme of sharia securities.

In the regulation, the sharia principles which become the criteria for business activities that can issue sharia shares are not much different from the criteria contained in Fatwa DSN MUI Number 40 of 2003. Even so, there are exceptions to the criteria which state that investment in a company is not permitted, which at the time of the transaction the level of the company's debt to the ribawi financial institution is more dominant than its capital. The exception is given if the investment transaction has been expressed in terms of willingness by DSN-MUI.

In the issuance of sharia shares through Regulation IX.A.13 of 2006, issuers or public companies are required to include additional information in the Prospectus, namely the provision in the articles of association that business activities and how to manage them apply sharia principles, information that types of businesses, product

products, services provided, assets managed, and contracts do not conflict with Islamic principles, and have members of directors and commissioners who understand activities that are contrary to Islamic principles in the Capital Market.

If in its implementation, an issuer or public company that issues sharia shares, without first going through a number of procedures to no longer apply sharia principles, then the relevant party is obliged to announce to the public the material facts of changes in their business activities, and are forced through administrative sanctions to continue implementing the procedure for amending the articles of association. If you look at the regulatory scheme, it can be clearly seen that at that time it was not yet regulated regarding public companies whose articles of association applied the sharia principle, which was due to Law Number 1 of 1995 concerning Limited Liability Companies, have not included it.

However, Regulation IX.A.13 which was formed as an attachment to the Decree of the Chairman of Bapepam and LK Number Kep-130 / BL / 2006, was later amended through the Decree of the Chairman of Bapepam and LK Number: Kep-181 / BL / 2009, one of which was aimed at increase the effectiveness and efficiency in the issuance of Sharia Securities.

Basically, the regulation is not much different from the existing regulation in Regulation IX.A.13 of 2006, but in Regulation IX.A.13 issued in 2009, the obligation to announce to the public about material facts regarding changes in business activities and methods management and administrative sanctions, abolished. This is because administrative obligations and sanctions are actually included in sanctions imposed by Bapepam and LK, as stated in the provisions of the second article of the second regulation.

When viewed both settings, it can be seen that there are similarities in the arrangement, namely in Article 1, paragraph e IX.A.13 Regulations 2009 and Article 1 letter f IX.A.13 Regulations 2006, that the business activities as well as how the business of an issuer or publicly listed company based on Sharia principles in the Capital Market is contained in the Company's Articles of Association. This reiterates that the criteria for sharia shares to be issued, highly depends on whether the type of business activities along with the management methods used by a certain limited liability company are contrary to Islamic principles or not.

Although the provisions in the two regulations are similar, Regulation IX.A.13, which was formed in 2009, does not include a number of terminologies such as limited liability companies whose articles of association apply sharia principles, and has a Sharia Supervisory Board as one of the Commissioners' organs. In fact, at that time Law Number 40 of 2007 concerning Limited Liability Companies was formed, which listed the existence of Sharia Limited Companies and Sharia Supervisory Councils.

Along with the transfer of functions, duties, authority to regulate and supervise financial services activities in the Capital Market sector, from the Bapepam-LK to the OJK

RI regulated in Law Number 21 In 2011 concerning the Financial Services Authority, the authority to form regulations related to the sharia share issuance scheme also shifted to OJK RI. Although it has been effective since the end of 2012, regulations regarding the issuance of sharia shares were only formed in 2015. Broadly speaking, several regulations established by OJK RI regarding the issuance of sharia shares, among others

- a. OJK Regulation Number 15/POJK.04/2015 concerning Application of Sharia Principles in the Capital Market
- b. OJK Regulation Number 17 / POJK.04 / 2015 concerning Issuance and Requirements for Sharia Securities in the Form of Shares by Sharia Issuers or Sharia Public Companies
- c. OJK Regulation Number 53 / POJK.04 / 2015 concerning contracts used in the issuance of Sharia Securities in the Capital Market

In the OJK Regulation Number 15 / POJK.04 / 2015, indirectly introduced several terms which were first included in Law Number 40 of 2007 concerning Limited Liability Companies, namely public companies whose company statutes clearly state the application of sharia principles, and the requirement for the existence of a Sharia Supervisory Board for the company is essentially explaining the practice of applying sharia principles in capital market activities in Indonesia.

When referring to Article 1 number 2, it is explained that the sharia principle referred to is the principle of Islamic law which refers to the DSN-MUI fatwa. Therefore, to find out the DSN-MUI explanation related to sharia principles in capital market activities, this will be found in DSN-MUI Fatwa Number 40 of 2003 concerning Capital Markets and General Guidelines for the Application of Sharia Principles in the Capital Market Sector. When referring to the fatwa, then a share to be issued can be said to apply sharia principles if the company's business activities do not conflict with some of the points regulated by DSN MUI in Article 3 of DSN MUI Fatwa Number 40 of 2003.

Similar to OJK Regulation Number 15/POJK.04/2015, OJK Regulation Number 17/ POJK.04/2015 also includes several definitions of new terms in Capital Market activities in Indonesia, one of which is a sharia public company which is a company the public whose articles of association state that the activities and types of businesses and ways of managing their businesses are based on sharia principles in the capital market. Through the construction of the regulations in the two regulations, then raises several questions, related to the permissibility of a public company that does not apply the principles of sharia in its articles of association, to issue shares included in the category of Islamic shares, or the ability of an Islamic public company that includes the principles of sharia in the company's articles of association, to issue shares which are not classified as Islamic shares.

There are several things that can be considered in POJK Number 15 of 2015 and POJK Number 17 of 2015, related to this question. First, in this regulation it is not explained at all about what is meant by sharia shares or even sharia

securities, because both are regulated in Rule Number 15/POJK.04/2015. Secondly, in article 2 paragraph (3) it is stated that *"In terms of The activities and types of business of the Sharia Issuer or Sharia Public Company as referred to in paragraph (2) no longer fulfill the Sharia Principles in the Capital Market, the shares of the Sharia Issuer or Sharia Public Company referred to are no longer Sharia Securities"*.

The construction of the article is actually similar to Regulation IX.A.13, both formed in 2006 and 2009. In my opinion, the construction of the regulation in the regulation has the potential for ambiguity to be interpreted by common people. The article can be interpreted that a sharia public company may also issue shares that are not sharia, if the sharia public company no longer meets sharia principles. This ambiguity can lead to the interpretation that shares owned by Islamic public companies are not always Islamic stocks.

However, what needs to be understood is that shares and public companies are closely related to each other. Shares which are proof of ownership of a company, of course will depend on the business activities carried out by the company. Therefore, it is not possible that a publicly listed company that applies sharia principles in its articles of association, issues shares that are not in accordance with sharia principles. If then the company carries out business activities that are contrary to sharia principles, then automatically the shares issued by the company will not be included in the criteria for sharia shares.

Even so, it is still possible for public companies that do not include sharia principles in their articles of association, so that the shares they issue are included in the category of sharia shares, and are included in the Sharia Securities List (DES). That is because in the process of screening of sharia shares, the business activities of a company are sufficient not to conduct gambling, prohibited trading, usury, buying and selling with risk of gharar and maisir, buying and selling illicit goods, bribery transactions, and need to fulfill financial criteria set by OJK RI.

One example of a public company that does not apply sharia principles in its articles of association, but whose shares are included in the List of Sharia Securities is PT. Telekomunikasi Indonesia (Persero) Tbk, which has shares with the TLKM symbol. The shares are included in the Sharia Securities List, which was decided through the Decision of the Board of Commissioners of the Republic of Indonesia OJK Number Kep-29 / D.04 / 2019 regarding the List of Sharia Securities.

2.2. Urgency of Sharia Securities Issuance Regulations in the Law

In the Sharia Capital Market Roadmap published by the Financial Services Authority of the Republic of Indonesia for 2015 to 2019, there are five important points that become the direction of developing the Islamic capital market in Indonesia. The five directions include,

- a. Strengthening Regulation on Products, Institutions and Professionals Related to Sharia Capital Markets

- b. Increased Supply and Demand of Sharia Capital Market Products
- c. Development of Human Resources and Information Technology in the Islamic Capital Market
- d. Sharia Capital Market Promotion and Education
- e. Coordination with the Government and Related Regulators in the Framework of Creating Synergy in Sharia Capital Market Development Policies

Every components in developing the Islamic capital market is then manifested into several important programs. In the direction of developing *"Strengthening Regulations on Products, Institutions and Professionals Related to Sharia Capital Markets"*. One of the programs planned by the Republic of Indonesia Financial Services Authority was to strengthen the legal framework for issuance of sharia securities. The program is related to strengthening the legal framework for the Islamic capital market so that there is an increase in confidence to carry out activities in the Islamic capital market, as well as providing legal certainty for actors in the Islamic capital market.

One of the action plans for carrying out the program is the study of academic texts in the framework of the Sharia Securities Bill, but until now the academic paper related to the Sharia Securities Bill has not been established. If you view the time target determined by the Financial Services Authority of the Republic of Indonesia, an academic text must have been formed in 2017, while the Islamic Securities Bill was completed in 2019.

To understand the importance of establishing special regulations at the same level as the Law relating to Sharia Securities, which is one type of Sharia Shares, it is necessary to first review the material content contained in an Act. According to article 10 of Law Number 12 of 2011 concerning Formation of Regulations and Regulations, it is stated that the material that must be regulated in a Law is,

- a. Further regulations regarding the provisions of the 1945 Constitution of the Republic of Indonesia,
- b. order an Act to be regulated by Act,
- c. ratification of certain international agreements, d) follow-up on the decision of the Constitutional Court, and / or
- d. fulfillment of legal needs in society.

Based on this article, the possibility to include Sharia Securities in a statutory regulation at the level of the Law lies in the material in the form of meeting the legal needs of the community. Unfortunately, in the Elucidation section of Article 10 paragraph (1) letter e there is no specific mention of the intended legal needs. Even though the academic text and the Draft Law on Sharia Securities have not yet been formed, the inclusion of the application of sharia in the Capital Market in regulations at the level of the Law still has a chance because Law Number 8 of 1992 concerning Capital Markets as the legal basis for capital market activities in Indonesia will be revised.

3. CONCLUSION

Through the above research related to the analysis of sharia stock issuance regulations in sharia capital market activities in Indonesia, it can be concluded several things,

1. The legal basis for capital market activities in Indonesia, which is still valid, is not yet familiar with the scheme of applying sharia principles in capital market activities. This then impacts on the arrangements which are then regulated in implementing regulations, namely the Republic of Indonesia Financial Services Authority. Considering that the Capital Market Law refers to the Limited Liability Company Law, where the regulation has been revised, it is appropriate to revise or formulate a new law governing Islamic capital market activities in Indonesia.
2. The concept of applying sharia principles, basically refers to Islamic law, so that the provisions regarding the application of sharia principles in capital market activities in Indonesia, are determined and determined in the form of a fatwa by the National Sharia Council - Indonesian Ulama Council. The fatwa was then used as a basis for considerations for the Indonesian FSA in establishing sharia capital market regulations in Indonesia, particularly in the case of sharia shares issuance.
3. The sharia principle itself regulates that in the capital market activities, there is no element of gambling, obscurity (gharar), usury, illicit goods transactions, and goods that have many mudharat.
4. From Regulation IX.A.3 issued by the Capital Market and Financial Institution Supervisory Agency (Bapepam - LK) to POJK Number 15 of 2015 issued by the OJK RI, the construction of regulations governing the application of sharia principles in the issuance of sharia shares is every aspect of issuance in the form of a contract, business activities and financial status of the company must not be in conflict with Islamic principles.
5. Issuance of sharia shares, cannot be released from the type of business activities owned by a company. Even so, it does not mean that only Islamic public companies can issue Islamic shares. That is because, the criteria for sharia shares are not placed on whether or not the application of sharia principles is included in the articles of association of the company, but as long as the business activities and financial condition of the company do not conflict with sharia principles, the issued shares can be classified as sharia shares and are included in the Sharia Securities List, issued by the Republic of Indonesia Financial Services Authority.

Equity Indices, *Journal Bus Ethics*, Springer, Jeddah, Kingdom of Saudi Arabia, 2014. DOI: <https://doi.org/10.1007/s10551-014-24222-2>

[2] Bapepam - LK Regulation IX.A.13

[3] DSN MUI, Fatwa Number 40 Year 2003 concerning Capital Markets and General Guidelines for the Application of Sharia Principles in the Capital Market Sector

[4] Indonesia, Law Number 8 Year 1995 concerning Capital Markets

[5] Indonesia, Law Number 1 Year 1995 concerning Limited Liability Companies

[6] Indonesia, Law Number 40 Year 2007 concerning Limited Liability Companies

[7] Indonesian Financial Service Authority, Regulation Number 15 Year 2015

[8] Indonesian Financial Service Authority, Regulation Number 17 Year 2015

[9] Indonesian Financial Service Authority, Regulation Number 53 Year 2015

[10] Indonesian Financial Service Authority, *Sharia Capital Market Roadmap*, 2015.

[11] Sutedi, Adrian, *Pasar Modal Syariah*, Jakarta: Sinar Grafika, 2011.

REFERENCES

[1] Ashraf, Dawood, Does Shari'ah Screening Cause Abnormal Return? Empirical Evidence form Islamic