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SCREENING STANDARDS IN SHARIA CAPITAL MARKET INVESTOR LEGAL PROTECTION

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ABSTRACT

The growth of single investor identification on September 29 2022 reached 9.76 million, dominated by millennials with a percentage of 59.43%, and when compared to the total population of Indonesia, the share of investor growth is around 3.6%. Calculation of growth recapitulation is based on account opening through Perantara Pedagang Efek (PPE) both conventionally and sharia. Investors who enter the stock exchange consist of various types who have their own goals, so they have the potential risk of codifying securities on ISSI and JII of the formation of *maisir*, *garar*, *darar* and causing *mafsadat*. This study aims to analyze the screening standards in the legal protection of Sharia capital market investors. This research is normative legal research with a breakdown of 536 sharia issuers and analyzed through industry sectoral typologies and regulations 15/POJK.04/2015 and 35/POJK.04/2017. The results of this study found 7 issuers in the technology and film sectors that passed the DES, so deficiencies in the standard screening procession need to be improved by sectoral-based screening methods in the Sharia issuer index procession to increase the application of Sharia principles.

Keywords: Legal protection; Investors; and Sharia Capital Market;

ABSTRAK

Pertumbuhan *single investor identification* pada 29 September 2022 mencapai 9,76 juta yang didominasi milenial dengan presentase 59,43%, dan jika dibandingkan dengan jumlah penduduk Indonesia porsi pertumbuhan investor pada kisaran 3,6%. Penghitungan rekapitulasi pertumbuhan tersebut berdasarkan pembukaan akun melalui Perantara Pedagang Efek (PPE) baik secara konvensional maupun syariah. Investor yang masuk dalam bursa efek terdiri dari berbagai macam yang memiliki tujuan tersendiri, sehingga memiliki potensi risiko pada efek yang terkodifikasi pada ISSI maupun JII akan terbentuknya *maisir*, *garar*, *darar* dan menimbulkan *mafsadat*. Penelitian ini bertujuan untuk menganalisis standar screening dalam perlindungan hukum investor pasar modal syariah. Penelitian merupakan penelitian hukum normatif dengan *breakdown* terhadap 536 emiten syariah, dan dianalisis melalui tipologi sektoral industri dan peraturan 15/POJK.04/2015 dan 35/POJK.04/2017. Hasil penelitian ini menemukan 7 emiten sektor teknologi dan film yang lolos DES, sehingga kekurangan pada prosesi *standard screening* perlu ditingkatkan adanya metode screening yang

berbasis sektoral dalam prosesi index emiten syariah untuk peningkatan penerapan prinsip syariah.

Kata Kunci: Perlindungan Hukum; Investor; dan Pasar Modal Syariah;

Introduction

The capital market as an ecosystem with large and complex capitalization creates many gaps that can be used for large-scale crimes and has the characteristics of a white-collar crime.¹ Crimes in the capital market are carried out professionally and are used by people who have intellectual and strategic positions. Violations of crimes committed are detrimental to the public, such as fraud, insider trading, misleading information, and market manipulation.²

Based on data from the Financial Services Authority (Otoritas Jasa Keuangan: OJK), the growth in the number of investors as of 29 September 2022 reached 9.76 million, dominated by millennials with a percentage of 59.43%, and when compared to the total population of Indonesia, the share of investor growth is around 3.6%.³ This growth occurred very rapidly based on the development of data 5 years ago and created a volatile capital market with the characteristics of different investors' backgrounds.⁴ In general, public companies that are traded by investors are classified into two categories, namely Sharia and Non-Sharia. Investor behavior when trading securities has various objectives, both investment and short-term trading.⁵ High market volatility is influenced by investors who carry out securities transactions in the short term, this also applies to codified securities on the Indonesian Sharia Stock Index or ISSI and the Islamic Jakarta Index or JII and this creates the risk of forming *maisir*, *garar*, *mafsadat*, and *mudarat*.

¹Defrando Sambuaga, "Kejahatan Dan Pelanggaran Di Bidang Pasar Modal Dan Penegakan Hukumnya Ditinjau Dari UU No. 8 Tahun 1995," *Lex Privatum* 4, no. 5 (2016): 156–63, <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/12653>.

²Law Number 8 of 1995 concerning Capital Markets

³Otoritas Jasa Keuangan, "Statistik Pasar Modal Indonesia," 2022, <https://ojk.go.id/id/kanal/pasar-modal/data-dan-statistik/statistik-pasar-modal/default.aspx>.

⁴Winarni, "Sepanjang 2022, Jumlah Investor Pasar Modal Tembus 10,31 Juta," Data Indonesia, 2023, <https://dataindonesia.id/pasar-saham/detail/sepanjang-2022-jumlah-investor-pasar-modal-tembus-1031-juta>.

⁵Ales Okta Pratama et al., "Pengaruh Faktor Perilaku Investor Saham Terhadap Keputusan Investasi Di Bursa Efek Indonesia," *Moneter* 7, no. 2 (2020): 170–79, <https://doi.org/10.31294/moneter.v7i2.8659>; Dihin Septyanto and MF. Arrozi Adhikara, "Perilaku Investor Individu Dalam Pengambilan Keputusan Investasi Sekuritas Di Bursa Efek Indonesia (BEI)," *JPFebUnsoed* 3, no. 1 (2013): 1–14, <http://jp.feb.unsoed.ac.id/index.php/sca-1/article/view/306>; Sumani, Christine Winstinindah Sandroto, and Indah Mula, "Perilaku Investor Di Pasar Modal Indonesia," *Ekuitas* 17, no. 2 (2013): 211–33, <https://doi.org/10.24034/j25485024.y2013.v17.i2.160>.

Sharia issuers who will carry out the mechanism of offering company ownership to become open on the stock exchange must comply with the standards that have been regulated through the Financial Services Authority as the assigned institution in Law concerning Capital Markets Number 8 of 1995. However, when carrying out the mechanism of issuers listing on the Sharia index through a standard screening process is that there are still issuers that do not meet the standards indexed on Sharia indexes. Screening standards are set based on the Financial Services Authority Regulation Number 15/POJK.04/2015 concerning the Application of Sharia Principles in the Capital Market and Number 35/POJK.04/2017 concerning Criteria and Issuance of Sharia Securities Lists, there are two methods, namely financial ratio screening and core business screening, especially from this there are several sectors that cause *mudarat* issuers to pass the Sharia index. This research will collect data in the form of an OJK Decree regarding the List of Sharia Securities, as issuer data that will be screened using OJK screening standards and Sharia principles.

Previous studies have been conducted regarding screening on the stock market such as Fauzani,⁶ Refky Fielnanda,⁷ and Uswatun Hasanah. There are also those who examine screening on other Sharia finance such as Dwiraptono Agus Harjito,⁸ Zaheer Anwer,⁹ Abdullah Alnamlah,¹⁰ and Dawood Ashraf.¹¹ Research in Malaysia was also carried out by Noor Latiffah Adam.¹² The purpose of this research is to analyze

⁶Fauzani, "Screening Saham Dan Implementasinya Terhadap Pengungkapan Tanggung Jawab Sosial: Studi Perusahaan Pada Daftar Efek Syariah" (UIN Syarif Hidayatullah Jakarta, 2021), <https://repository.uinjkt.ac.id/dspace/handle/123456789/58963>.

⁷Refky Fielnanda, "Konsep Screening Saham Syariah Di Indonesia," *Al-Falah: Jurnal Islamic of Economics* 2, no. 2 (2017), <http://journal.iaincurup.ac.id/index.php/alfalah/article/view/255>.

⁸Dwiraptono Agus Harjito, A R Nabila, and Z M Sanusi, "Jakarta Sharia Stock Index and International Sharia Leading Stock Indices: Comparison of Sharia Screening Processes," *International Journal of Business and Emerging Markets* 13, no. 2 (2021): 107–23, <https://doi.org/10.1504/ijbem.2021.114404>.

⁹Zaheer Anwer, Wajahat Azmi, and Shamsheer Mohamad, "Shariah Screening and Corporate Governance: The Case of Constituent Stocks of Dow Jones US Indices," *International Review of Economics & Finance* 86 (2023): 976–1002, <https://doi.org/10.1016/j.iref.2020.12.013>.

¹⁰Abdullah Alnamlah et al., "A New Model for Screening Shariah-Compliant Firms," *Borsa Istanbul Review* 22 (2022): S10–23, <https://doi.org/10.1016/j.bir.2022.10.011>.

¹¹Dawood Ashraf and Mohsin Khawaja, "Does the Shariah Screening Process Matter? Evidence from Shariah Compliant Portfolios," *Journal of Economic Behavior & Organization* 132 (2016): 77–92, <https://doi.org/10.1016/j.jebo.2016.10.003>.

¹²Noor Latiffah Adam and Nordin Abu Bakar, "Shariah Screening Process in Malaysia," *Procedia - Social and Behavioral Sciences* 121, no. 19 (2014): 113–23, <https://doi.org/10.1016/j.sbspro.2014.01.1113>.

screening standards in Sharia capital market investor legal protection, especially in Indonesia.

Method

This research is classified as library research, also known as library research or legal research, it is called normative legal research.¹³ This research was carried out through the study and analysis of various sources of data from various sources of literature. The classification of this type of research is carried out because the information needed to complete the research is found in the literature, such as books, dictionaries, encyclopedias, journals, documents, and periodicals.¹⁴ A legal approach and conceptual approach are used in this descriptive-analytic research methodology. The way to collect data or legal material is by reading and researching various information. Decree of the Financial Services Authority regarding the issuance of several lists of Sharia-indexed securities as a list of securities to be used as research data, which will later be analyzed using the provisions regarding Law Number 8 of 1995 concerning Capital Markets, based on Financial Services Authority Regulation Number 15/POJK.04/2015 Concerning Applications for Sharia Principles in the Capital Market and Number 35 /POJK.04/2017 concerning Criteria for Valuation of Sharia Securities.

Findings and Discussion

Sharia Capital Market

For closed companies that wish to become public and their share ownership can be traded through the capital market and transactions of valuable assets and securities can also be carried out, namely shares, mutual funds, bonds, and others.¹⁵ Another function of the capital market is as a forum for several companies to carry out transactions on the issuance of securities, intermediaries who balance the supply and demand for financial products over a given period, providing facilities or as a means to

¹³Jonaedi Efendi and Johnny Ibrahim, *Metode Penelitian Hukum: Normatif Dan Empiris* (Jakarta: Kencana, 2018); Novita Angraeni and Erry Fitrya Primadhany, "Sociological and Philosophical Study of Ijārah and Ijārah Muntahiya Bi Tamlik," *El-Mashlahah* 12, no. 1 (2022): 84–102, <https://doi.org/10.23971/elma.v12i1.4174>.

¹⁴Nursapia, "Penelitian Kepustakaan," *Iqra* 8, no. 1 (2014): 68–73, <http://jurnal.uinsu.ac.id/index.php/iqra/article/view/65>.

¹⁵Vidya Noor Rachmadini, "Perlindungan Hukum Bagi Investor Dalam Pasar Modal Menurut Undang-Undang Pasar Modal Dan Undang-Undang Otoritas Jasa Keuangan," *Pena Justisia* 18, no. 2 (2019): 89–96, <https://doi.org/10.31941/pj.v18i2.1093>.

connect buyers and sellers based on long-term investment called securities, as well as mobilizing public funds, Indonesia is currently categorized as a capital market in several developing countries which are growing extraordinarily and rapidly. The huge contribution is an indicator of consideration for developed countries as an instrument of state development.¹⁶

Securities include all stocks, bonds, certificates, letters, which are in the form of authentic deeds showing equity participation or other loans, and all objects that are broadly called securities. Shares have a function as a document for ownership. Simply put, shares are part of the ownership in a company.¹⁷

Sharia-based capital markets are carried out on a foundation of principles or rules of Islamic law whose application refers to fatwas that have been issued through the DSN MUI, if the issued fatwas remain in harmony and do not have contradictions with OJK provisions as well as OJK provisions based on Sharia principles.¹⁸

Islam views the capital market as a transaction activity that is included in a *tijarah*¹⁹ contract or a commercial contract in the muamalah aspect. Islam supports investment activities for its adherents by putting their assets in various investment contracts such as *mudarabah*,²⁰ *muzara'ah*,²¹ *musyqaqah*²² or other financing contracts. Assets that are used and owned still have limitations in adhering to morals and Sharia principles in empowering these assets.²³

ويل لكل همزة لمزة الذي جمع مالا وعدده²⁴ يحسب ان ماله اخلده^ع

¹⁶Indah Yuliana, *Investasi Produk Keuangan Syariah* (Malang: UIN Malang Press, 2010).

¹⁷Melvin Mumpuni and Harris Darmawan, *Panduan Berinvestasi Saham Bagi Pemula* (Jakarta: Solusi Finansialku Indonesia, 2017).

¹⁸Article 1 paragraph 2 of the Financial Services Authority Regulation Number 15/POJK.04/2015 concerning the Application of Sharia Principles in the Capital Market.

¹⁹Dodi Yarli, "Analisis Akad Tijarah Pada Transaksi Fintech Syariah Dengan Pendekatan Maqashid," *Yudisia* 9, no. 2 (2018): 245–56, <https://doi.org/10.21043/yudisia.v9i2.4766>.

²⁰Noraina Mazuin Sapuan, "An Evolution of Mudarabah Contract: A Viewpoint From Classical and Contemporary Islamic Scholars," *Procedia Economics and Finance* 35 (216AD): 349–58, [https://doi.org/10.1016/S2212-5671\(16\)00043-5](https://doi.org/10.1016/S2212-5671(16)00043-5).

²¹Muhammad Ngasifudin, "Aplikasi Muzara'ah Dalam Perbankan Syariah," *JESI* 6, no. 1 (2016): 38–44, <https://ejournal.almaata.ac.id/index.php/JESI/article/view/389>.

²²Nur'ain Harahap, "Musaqah Dan Muzara'ah," *Studia Economica* 1, no. 1 (2015): 71–85, <https://doi.org/10.30821/se.v1i1.233>.

²³Jusmaliani, *Investasi Syari'ah Implementasi Konsep Pada Kenyataan Empirik* (Yogyakarta: Kreasi Wacana, 2008).

²⁴(QS. Al-Humazah: 1-3). Woe to every slanderer and detractor; Who collects treasures and counts them; He thought that his treasure could make him immortal.

Referring to the provisions of Article 1 Number 13 of Law Number 8 of 1995, it provides an overview of the scope of the capital market consisting of activities such as relinquishment of ownership in initial offerings, securities transactions, public companies that issue securities, institutions dealing with securities, and professions dealing with effect. Claims on debt, securities, bonds, shares, units of collective investment contracts, futures contracts on securities, and any derivative securities including securities referred to in Article 1 Number 5.²⁵

The securities trading mechanism is based on Islamic prudential nature, and it is prohibited to buy and sell securities that have elements of *darar*, *garar*, *usury*, *maisir*, *risywah*, immoral and unjust, *tagrir*, *gisysy*, *tanajusy/najsy*, *ihtikar*, *bai' al-ma'dum*, *talaqqi al-rukban*.²⁶

Several international stock exchanges have started compiling shariah indices adhering to shariah principles in response to the growth and enthusiasm of Muslim investors, including RHB Unit Trust Management Bhd Malaysia in 1996, and Dow Jones Islamic Market Index (DJIM) in February. 1999, Kuala Lumpur Shariah Index (KLSI) in April 1999, and FTSE Global Islamic Index Series in October 1999.

Legal Aspects of Implementing the Sharia Capital Market

The issuance of the provisions of Government Regulation Number 56 of 2015 concerning Amendments to Government Regulation Number 77 of 2013 concerning Reducing Income Tax Rates for Domestic Corporate Taxpayers in the Form of Public Companies, the government has taken a policy to support and encourage the business world to go public in the IPO process. A public company that is a public company has the right to receive a reduced income tax rate with a nominal value of 5% provided that 40% of its shares are traded and listed on the stock exchange and meet the minimum limit of 300 shareholders.

In general, to develop market capitalization and business growth, companies change their status from a closed company to an open company to increase capital and assets. Every corporation that wants to market its shareholders or claim ownership of

²⁵Nurul Huda and Mustafa Edwin Nasution, *Investasi Pada Pasar Modal Syariah* (Jakarta: Kencana Prenada Media Group, 2007).

²⁶Fatwa DSN MUI No: 80/DSN-MUI/III/2011 concerning the Application of Sharia Principles in the Mechanism of Equity-Type Securities Trading in the Regular Market of the Stock Exchange.

the company must use this mechanism, which is in the form of releasing share ownership to the public.²⁷

Screening Standards in Sharia Capital Market Investor Legal Protection

The legality of the implementation of the Sharia capital market is regulated in Law Number 8 of 1995 concerning Capital Markets, and the implementation of the Sharia capital market is regulated by Government Regulations in the form of provisions issued by the Financial Services Authority.

Pre-Market

Screening procedures seek to find securities that violate sharia law, such as those involving *ribawi*, *maysir*, and *garar*. Al-habshi revealed that there are different views regarding the procedure for screening issuers, one of which is that the application of sharia principles is a must for stocks like transactions that are free from elements of speculation. But he stressed that given the current circumstances, it would be impossible to completely ban and eliminate speculation from the screening process.²⁸

In the process of screening stocks that will be indexed by Sharia, two standardizations are carried out, namely: Financial Ratio Screening and Core Business Screening.²⁹ Core Business Screening is carried out regarding the screening of business models and their activities which of course must apply Sharia principles and businesses that do not contain *mudarat*. Article 1-3 number 15/POJK.01/2015 concerning the Application of Sharia Principles of the Capital Market provides details on the business model and activities, ways of managing and assets that are in line with and carry out Sharia principles and do not include elements of gambling, *ribawi* financial services, *garar*, generating, distribute, transact, and accommodate between *haram li-zatihi* and *haram li-gairih*.

The screening process for financial ratio screening is screening based on some company data and its financial ratios. Article 2 paragraph 3 of the Financial Services Authority Regulation Number 35/POJK.04/2017 Concerning Criteria and List of Sharia Securities which includes screening of financial ratios must be issued by issuers whose

²⁷“Buku Pedoman Panduan Initial Public Offering Go Public,” n.d., <https://gopublic.idx.co.id/informasi-lainnya/buku-panduan-go-public/>.

²⁸Fielnanda, “Konsep Screening Saham Syariah Di Indonesia.”

²⁹Muhammad Yafiz, “Saham Dan Pasar Modal Syariah: Konsep, Sejarah Dan Perkembangannya,” *Miqot* 32, no. 2 (2008): 232–46, <http://jurnalmiqotojs.uinsu.ac.id/index.php/jurnalmiqot/article/view/175>.

financial ratios are standardized from accumulated margin-based debt to total assets with a maximum limit of 45% (four twenty-five percent) and accumulated interest-based income and other non-interest income. Halal income to total business income and other income is at most 10% (ten percent).

There are slight variations in examining Malaysian financial ratios. In Malaysia, different limits are set, including 5% for business activities that are explicitly prohibited under Sharia principles, such as interest-bearing bank loans, alcohol, gambling, and those containing pork, specifically in sectors of business activities that are prohibited but very difficult to avoid. with the condition of 10%. such as margins on deposits from conventional banking deposits and cigarette products, and 20% is used for income from leasing business activities that are not permitted by sharia, such as income from gambling, liquor, pork, hotels, and stock trading.³⁰

The pre-market process occurs in the standardization mechanism for sharia stock screening when the initial public offering is carried out by integrating the IDX and OJK with the data deposited by the issuer on the go-public application. *Porspectus*³¹ that has been submitted is then screened to identify the classification of Sharia securities or not. The prospectus will be published in a newspaper which will be the first step in the book building process for interested investors.

Claims of sharia issuers are submitted at the time of application for listing of shares to the IDX and registration of shares with KSEI which is carried out by the issuer itself. The claim is made by fulfilling document data in the form of a company prospectus and reviewed by OJK in its sharia by using Core Business Screening and Financial Ratio Screening.

Post-Market

Issuance of sharia-indexed lists of securities is carried out in two periods; the first period is issued no later than 5 (five) working days before the end of May and takes effect on June 1. The second period starts on December 1 and ends no later than 5 (five) working days before the end of November. The document is issued as a Decision of the

³⁰Adam and Bakar, "Shariah Screening Process in Malaysia."

³¹The prospectus is a company report data that applies to an initial public offering containing detailed company information such as profile, sectoral, structure, and financial ratios of the company.

Board of Commissioners of the Financial Services Authority on the official OJK website.³²

However, OJK DES issuance can be carried out incidentally based on Article 6 POJK No 35 /POJK.04/2017 concerning Criteria and Issuance of Sharia Securities Lists can announce the addition of Securities that meet the criteria of Sharia Securities in the Sharia Securities List or announce that several securities have been delisted from the sharia index due to the non-fulfillment of the criteria for sharia securities.

The obligatory provisions for the parties must state in the articles of association or other regulatory documents that it has a Sharia Supervisory Board (DSN) and that its business activities are carried out in the Capital Market in accordance with Sharia principles.³³ Every business actor participating in the Sharia capital market is required to have DPS as stipulated in Law Number 40 of 2007 concerning Limited Liability Companies.³⁴

Post Market is classified to issuers that have conducted an initial public offering either those that have been codified on the Indonesian Sharia Stock Index and or the Jakarta Islamic Index or those that have not been codified. The Post Market still refers to the standardization of Sharia stock screening whose implementation focuses on the function of controlling and supervising Sharia claims carried out by issuers whether they still comply with the terms and conditions or not.

Violations of sharia principles, namely the practice of *tadlis* or fraud, have occurred and were carried out by one of the state-owned companies, namely Garuda Indonesia. The violations committed by Garuda Indonesia occurred in the bookkeeping of the 2018 financial statements. The falsification was carried out by the issuer with the GIAA code starting at the GMS activities, one of the agendas of which was to discuss and ratify the 2018 financial statements. During the GMS, there was chaos and there were two commissioners (Chairul Tanjung and Dony Oskaria) stated their dissenting opinion and were reluctant to sign the financial statements.

³²Article 5 PJOK No 35 /POJK.04/2017 concerning Criteria and Issuance of List of Sharia Securities.

³³Article 3 POJK No 17/POJK.04/2015 concerning Issuance and Requirements for Sharia Securities in the Form of Shares by Sharia Issuers or Sharia Public Companies

³⁴Uswatun Khasanah, "Pengaturan Dan Peran Pengawasan Otoritas Jasa Keuangan Terhadap Screening Saham Pasar Modal Syariah," *Journal Of Law and Policy Transformation* 6, no. 2 (2021): 19–41, <https://doi.org/10.37253/jlpt.v6i2.4952>.

In 2018 regarding the financial report, Garuda Indonesia recorded a net profit of \$ 809.85 thousand or IDR 11.33 billion if converted at an exchange rate of IDR 14,000 / \$ 1. The net profit came from a collaboration between GIAA and PT Mahata Aero Technology with a nominal value of \$239.94 million or Rp.2.98 trillion. The falsification carried out by GIAA lies in the recording of net profit originating from cooperation but still in the form of receivables which is not the net result received during the company's performance in 2018, so what GIAA did violate the material facts of the company itself and falsifies the company's actual condition. loss to surplus. Falsification of financial statements is done by increasing the value of assets in financial statements which usually occurs during window dressing momentum.

The Center for Financial Professional Development (PPPK) of the Ministry of Finance, IDX, OJK, and BPK are tasked with auditing financial reports with their authority, the issuance of which is carried out by GIAA and it is found that there is a falsification of submission of material facts so that PPPK and OJK ask companies to improve financial reports and impose administrative penalties for violations of Article 90 of Law No. 8 of 1995 concerning Capital Markets and was fined for each director who signed the 2018 financial statements with a nominal value of IDR 100,000,000, directors and commissioners who did not sign the amount of IDR 100,000,000 are collective and take the responsibility lightly. Then the Garuda Indonesia Company was sentenced to a fine of IDR 250,000,000. For those found guilty of fraud, the maximum sentence under Article 378 of the Criminal Code is 4 years in prison. The maximum penalty according to Article 390 of the Criminal Code is 2 years and 8 months in prison.³⁵

In the case of the *tadlis* practice carried out by GIAA, there was no response from the institutions that overshadow the Sharia capital market, such as the IDX and OJK. The actions taken were limited to the application of the principle contained in Law No. 8 of 1995 concerning Capital Markets and did not touch on aspects of the application of sharia, such as the delisting action taken by ISSI and JII. Even in the announcements issued by the IDX and OJK, GIAA issuers still have the status of sharia securities based on the Changes in Share Composition in the Calculation of the Indonesian Sharia Stock

³⁵Sambuaga, "Kejahatan Dan Pelanggaran Di Bidang Pasar Modal Dan Penegakan Hukumnya Ditinjau Dari UU No. 8 Tahun 1995."

Index No Peng-00952/BEI.OPP/12-2018. Until now, GIAA's shares have been suspended for the past year, which will result in cancellation of approval and cancellation of registration or delisting from IDX and revocation of license by OJK.

Regarding the implementation of Sharia capital market principles, there is an understanding gap between screening standardization and Sharia principles themselves. Understanding of Sharia principles in screening standards is focused on Core Business Screening and Financial Ratio Screening only. There is a need for the development or interpretation of the meaning of Sharia principles themselves in the application of capital markets, such as the development of the meaning of *mudarat* in the mining sector issuer screening standard reviewed by Uswatun Hasanah.³⁶ However, regardless of the interpretation of *mudarat*, understanding *mudarat* requires a universal and comprehensive study. If in the mining industry sector, there is an AMDAL as a consideration for the application of Sharia principles, then other sectors should also have eligibility standards for applying Sharia principles, such as the digital technology and property sectors. Because this sector is included in the urgent category related to behavioristic patterns of community behavior, in the digital sector, technology, and communication have the opportunity for a moral decadence that has harm.

Broadcasting whether on mass media, digital or widescreen will greatly affect the development of people's habits, in the current era of technology, digitalization and liberalization have become instruments of acculturation of foreign cultures that shift culture and social norms, in which most Indonesian people are Muslims and form Islamic culture and social norms naturally begin to erode with the existence of broadcast media which causes moral decadence. Therefore, it is necessary to develop screening standards regarding sectoral impact analysis and is a challenge for IDX and OJK in carrying out the application of sharia principles. The following is a list of companies engaged in the technology sector, especially broadcasting, which have been indexed by sharia shares based on the Announcement of Changes in Share Composition and Calculation of the Indonesian Sharia Stock Index No. Peng-00237/BEI.POP/09.2022, but the implementation of sharia principles has not been implemented as in the publication, namely:

³⁶Khasanah, "Pengaturan Dan Peran Pengawasan Otoritas Jasa Keuangan Terhadap Screening Saham Pasar Modal Syariah."

Table 1. Announcement of Changes in Share Composition and Calculation of Indonesian Sharia Stock Index

No.	Company Name	Issuer Code
1	Surya Citra Media Tbk	SCMA
2	Media Nusantara Citra Tbk	MNCN
3	Elang Mahkota Teknologi Tbk	EMTK
4	Digital Mediatama Maxima Tbk	DMMX
5	Graha Layar Prima Tbk	GLTZ
6	MD Pictures Tbk	FILM
7	Tempo Intimedia Tbk	TMPO

(Source: IDX, 2022)

Table 1 above is the result of the breakdown of the Announcement of Changes in Share Composition and Calculation of the Indonesian Sharia Stock Index Number Peng-00237/BEI.POP/09.2022 which consists of 536 Sharia issuers (actual data) using sectoral typologies of the technology and film industries. There are 7 sharia indexed issuers such as (issuer code) SCMA, MNCN, EMTK, DMMX, GLTZ, FILM, and TMPO. If the Sharia screening standards in the OJK regulations apply to the seven issuers, they will certainly pass because they only focus on aspects of the company's financial ratios. However, examining aspects of the business sector such as content production, broadcasting, and advertising royalties indicates violations of Sharia principles themselves which affect the character and personality of consumers and lead to moral decadence. So, it is necessary to apply standard screening with a sectoral typology that can tighten the screening process and strengthen regulations.

Conclusion

The protection of Sharia capital market investors in the standard screening mechanism is divided into two. First, preventive which is contained in Law Number 8 of 1995 concerning Capital Markets as the legal umbrella and further regulated using PP in the form of the Financial Services Authority. Second, litigation or in the form of sanctions aimed at stock exchange members who have violated the stipulated regulations and mechanisms. In the aspect of applying Sharia principles, the capital market is carried out through pre-market and post-market supervision patterns with the aim of controlling and evaluating the application of Sharia principles. From this study, it was found that 7 issuers in the technology and film sectors passed the DES, so that the deficiencies in the standard screening process need to be improved with sectoral-based screening methods in the sharia issuer index procession to increase the application of

sharia principles. The recommendations that can be given in this research are that it is necessary to increase the application of sharia screening standards, especially in core business screening, this is because companies are not properly indexed on the list of securities that are eligible to be categorized as sharia with different sub-sectors.

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