

# THE OPENNESS OF CORPORATE LAW IN SUPERVISING COMMODITY FUTURES TRADING IN EMERGING MARKETS

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## Abstract

**How to cite this paper:** Fahmi. (2023). The openness of corporate law in supervising commodity futures trading in emerging markets. *Corporate Law & Governance Review*, 5(1), 63–70.  
<https://doi.org/10.22495/clgrv5i1p5>

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**ISSN Online:** 2664-1542  
**ISSN Print:** 2707-1111

**Received:** 15.12.2022  
**Accepted:** 10.03.2023

**JEL Classification:** F13, K23  
**DOI:** 10.22495/clgrv5i1p5

Regulations regarding the prohibition of giving full power of attorney from customers to brokers still cannot be fully implemented by stock futures brokerage companies in emerging economies. This then becomes a problem for brokerage firms in the future. The purpose of this study is to analyze the legal protection of cryptocurrency investors reviewed based on Indonesia's Commodity Futures Trading Authority Regulation No. 5 of 2019 and analyze the legal remedies taken in the event of a dispute over cryptocurrency investment. This research is sociological legal research and uses a positive law enforcement approach to the community. The results highlighted when the customer agrees to transact in futures trading through the facilities provided by the brokerage company, the customer must follow the procedure set by Commodity Futures Trading Authority (CoFTRA) or *Badan Pengawas Perdagangan Berjangka Komoditi* (BAPPEBTI), where the customer must fill out an agreement book whose contents are also regulated in CoFTRA Regulation No. 8 of 2019 concerning Technical Provisions for Futures Trading and Futures Broker Behavior.

**Keywords:** Corporate Law, Business Authority, CoFTRA, Future Trading, Commodities

**Authors' individual contribution:** The Author is responsible for all the contributions to the paper according to CRediT (Contributor Roles Taxonomy) standards.

**Declaration of conflicting interests:** The Author declares that there is no conflict of interest.

## 1. INTRODUCTION

Commodity futures trading has an important role in world trade and it has been strictly regulated in developed countries (Indriawan et al., 2021). Commodity futures have been regulated to realize regular, fair, efficient, and effective trading activities. Arrangements are also used to form fair competition, protect the interests of all parties, and realize commodity futures trading activities as a means of managing price risk and transparent price formation. However, as one of the investments, it has a higher level of risk than traditional investments. It also has legal risk as the risk that arises because investment contracts cannot be executed, including risks that arise due to inadequate documentation, incompetence, legal uncertainty, and due to bankruptcy or insolvency

(Ferlianto et al., 2006). Commodity futures trading is an alternative investment (investment enhancement) for individuals and companies who have the financial freedom to carry out investment activities. Various incidents as forms of unlawful acts have emerged, including misuse of customer funds in separate accounts, failure to record all transactions on the stock exchange, failure to comply with requirements regarding broker representation, and failure to facilitate delivery of orders from customers (Ferlianto et al., 2006). The presence of futures trading companies in Indonesia as a place to trade commodity futures contracts is a market instrument that is widely known in developed countries. The stock market is a regulated forum where producers, traders, hedgers, and speculators can protect themselves from rising prices, by seeking to profit from price fluctuations by trading

standard contract forms of derivative transactions (Ediana, 2008). In recent years, cryptocurrency was also largely used as commodity futures (Lucking & Aravind, 2019), making it urgent to regulate (Fletcher et al., 2021).

In Indonesia, Law No. 10 of 2011 concerning Commodity Futures Trading (Dewan Perwakilan Rakyat [DPR], 2011) is the main legal umbrella for futures customers and companies under Commodity Futures Trading Authority (CoFTRA) or *Badan Pengawas Perdagangan Berjangka Komoditi* (BAPPEBTI). In reality, even though the government has issued laws and several implementing regulations regarding futures trading, there are still many customers who feel aggrieved by the irresponsible actions of futures brokerage companies. Many customers feel cheated by futures brokers which results in quite high losses, even reaching billions of rupiah. As a trade that has a high-risk nature, it is only fitting that this commodity futures trade has a clear legal umbrella and is able to provide certainty for all market participants. To accommodate the needs of market players, the government has issued laws and regulations regarding futures trading. In reality, there are still many customers who feel disadvantaged by the actions of futures broker representatives. For example, when a customer asks for the promised rights, the company will issue many excuses and may even blame the customer when they cannot fulfill the promise they have made to the customer. For this reason, it is necessary to have legal protection for customers, due to problems arising from violations committed by futures brokers, especially violations in terms of technical provisions for futures broker behavior (Jon Vic, 2019). Responding to this, the author would like to discuss the general description of commodity futures trading and the authority of CoFTRA.

Many forms of fraud in futures trading occur because customers do not know about futures trading itself, as stated by Gray (1972) that futures trading is little known and less understood. Only a small percentage of people know what the futures market is or have seen one in operation. More people have heard of futures markets. This study aims to examine the supervision carried out by CoFTRA on violation cases related to the misuse of customer funds in separate accounts carried out by futures trading. There are only a few that specifically deal with cryptocurrency investments after the issuance of CoFTRA Regulation No. 5 of 2019 (BAPPEBTI, 2019a). Widiarty (2019) discussed protection law for investment with a focus on discussing written rules regarding circulation and supervision as well as the formulation of policies and aspects of protection for users of investments. Nitha and Westa (2020) discussed the appeal of cryptocurrency with a focus on discussing the risks behind using digital currencies and their benefits. Nuraliati and Azwari (2018), Prayogo and Chornous (2020), and Marwan and Prayogo (2019) examined accounting for cryptocurrency with a focus on discussing the legitimacy of using cryptocurrency as currency and a means of payment. In contrast, this study discusses more the legal protection of cryptocurrency investments and the settlement of disputes resulting from disputes arising after the promulgation of CoFTRA regulations. Moreover, the purpose of this

study is to analyze the legal protection of cryptocurrency investors reviewed based on CoFTRA Regulation No. 5 of 2019 and analyze the legal remedies taken in the event of a dispute over cryptocurrency investment. This study is sociological legal research and uses a positive law enforcement approach to the community. The use of sociological legal research is to find out how the law is implemented, including the law enforcement process. Sociology of law research is considered able to reveal the problems underlying the implementation and enforcement of the law.

The rest of the paper is structured as follows. Section 2 describes futures broker behavior. Section 3 presents the Know Your Customer Principle. The information about the risk disclosure document is provided in Section 4. Section 5 and Section 6 provide insights of the Indonesian Commodity Futures Trading Supervisory Agency and Commodity Futures Trading Arbitration Board, respectively. Section 7 concludes the paper.

## 2. FUTURES BROKER BEHAVIOR

The regulation prohibiting the granting of the full power of attorney from customers to brokers still cannot be fully implemented by stock futures brokerage companies in Indonesia. This is what later becomes a problem for brokerage firms in the future (Mahendra et al., 2016), especially for customers who give full authority over their account names, because if the customer suffers a loss, they cannot sue the company because it has given them the full power of attorney. When the customer agrees to transact in futures trading through the facilities provided by the brokerage company, the customer must follow the procedure set by BAPPEBTI, where the customer must fill out an agreement book whose contents are also regulated in CoFTRA Regulation No. 8 of 2019 concerning Technical Provisions for Futures Trading and Futures Broker Behavior (BAPPEBTI, 2019b).

Agreements are made in accordance with the provisions of Article 1320 of the Civil Code, but often because of the length of the contents of the agreement book, prospective customers do not thoroughly read the contents of the agreement, so when a problem occurs in a transaction that is detrimental to the customer, they feel they have never been informed about the risks of futures trading. Futures trading brokers as business entities that carry out futures trading transactions according to their customers' orders by withdrawing a certain amount of money and/or securities owned by their customers as a margin to guarantee transactions. In attracting prospective customers, futures brokers are required to follow a Code of Conduct that is stated and regulated in Law No. 10 of 2011 concerning Commodity Futures Trading and regulations stipulated and issued by BAPPEBTI/CoFTRA, Article 50 of Law No. 10 of 2011 concerning Commodity Futures Trading, obliging stockbrokers in running their business and when dealing with customers/prospective customers must know the background, financial status, and knowledge about futures trading of their customers/prospective customers.

Along with its development, Indonesia then regulates cryptocurrency as a commodity or buying

and selling of crypto assets (Puspasari, 2020). The Indonesian government then drew up several rules to accommodate the interests of crypto asset trading as well as guidelines and clarity for the public regarding government recognition of the existence of bitcoin and virtual currency, namely through the policy of the Indonesian Minister of Trade No. 99 of 2019 concerning the General Policy for Organizing Crypto Asset Futures Trading (Kemendag, 2018) which principally stipulates that "Crypto assets are defined as Commodities that can be used as the Subject of Futures Contracts traded on Futures Exchanges", as regulated in Article 1 further provisions also regulated by CoFTRA in CoFTRA Regulation No. 3 of 2019 and CoFTRA Regulation No. 5 of 2019.

Moreover, Article 4, paragraph 1 states that representatives of futures brokers who carry out their business activities are prohibited from accepting prospective customers if the potential customers are known to have been declared bankrupt by the court, to have been declared to have violated legal, judicial, or CoFTRA provisions, and officials or employees of BAPPEBTI, futures market, futures clearing house, and the treasury of an institution serving the public interest, unless the person concerned obtains permission from the said institution. It can be directly or indirectly in influencing and providing misleading information to customers on futures contract transactions, Sharia derivative contracts, and/or other derivative contracts, for example, offering fixed income or profit sharing. It can be also in the forms of offering futures contracts, Sharia derivative contracts, and/or other derivative contracts that are not approved by Bappebti; accepting customers whose sources of funds come from several people in a pooling account or from a legal arrangement; receiving funds from customers in cash; receiving funds from customers before signing risk disclosure documents and mandate contract documents; receiving, requesting, or borrowing transaction access codes from customers (personal access passwords); making agreements in any form with prospective customers, except for agreements that are permitted by BAPPEBTI; receiving a mandate from a customer to make a transaction on behalf of the customer concerned, or filling out an electronic customer acceptance application for the benefit and/or name of a prospective customer. Then in Article 4, paragraph 2, broker representatives are prohibited from accepting customer funds in cash, either giving them themselves or transferring them to a separate account belonging to a futures broker.

### 3. THE KNOW YOUR CUSTOMER PRINCIPLE

The principle of knowing your customer in the field of futures trading is regulated in CoFTRA Regulation No. 2 of 2016 concerning the Application of the Know Your Customer Principle which requires every futures brokerage company to apply the Know Your Customer Principle to minimize risks associated with money laundering and being used as a tool to finance terrorism to apply the Know Your Customer Principle (BAPPEBTI, 2016). In Article 10 of CoFTRA Regulation No. 2 of 2019 concerning the Application of the Know Your Customer Principle, it is required that futures brokers have guidelines that

contain written policies and procedures which at least cover (BAPPEBTI, 2021), including identification and verification, owner, risk management, highest risk area, monitoring accounts, customer transactions, and updating customer data document administration, and reporting.

In Article 11, guidelines for implementing the Know Your Customer Principle owned by futures brokers must also refer to the regulations of the head of BAPPEBTI, laws and regulations related to the prevention and eradication of money laundering or terrorism financing. These guidelines must also be implemented consistently and continuously. In Article 1, number 9 of CoFTRA Regulation No. 2 of 2016 concerning the Application of the Know Your Customer Principle, some principles must be applied by futures brokers, to know the background and identity of the customer, monitor customer accounts and transactions, and report suspicious financial transactions, following the provisions of laws and regulations in the field of futures trading and laws related to the prevention and eradication of money laundering and/or terrorism funding.

In Article 14 of the CoFTRA Regulation No. 2 of 2016 concerning the Application of the Know Your Customer Principle, futures brokerage companies in Indonesia that are registered by CoFTRA as futures brokerage companies in carrying out business activities as intermediaries between buyers (customers and prospective customers) and commodity producers, should ask a number of things. Related to the principle of knowing your customer, these things are asking about the age of the prospective customer, inquiring about the profession of the prospective customer, inquiring about the status of prospective customers, asking the number of children the prospective customer has, asking where the prospective customer lives, and inquiring about their status of residence. Application of the Know Your Customer Principle that is not in accordance with standards will greatly increase the possibility of money laundering, and the more money laundering occurs in futures brokerage firms, especially in Indonesia, will increase the risk of systemic economic impacts in Indonesia. So that the role of the government as a regulator becomes increasingly important to ensure the application of the Know Your Customer Principle is carried out by all futures brokerage companies.

Monitoring customer accounts and transactions and updating information, as stipulated in Article 31 of CoFTRA Regulation No. 2 of 2016 concerning the Application of the Know Your Customer Principle (BAPPEBTI, 2016). Futures brokers must monitor customer data continuously to ensure transactions carried out by customers are in accordance with the profile, character, and/or habit of transaction patterns. In carrying out the supervision referred to in paragraph 1, futures brokers must have a monitoring system that can identify, analyze, monitor, and provide reports effectively regarding the profile, character, and habits of customer transaction patterns; and tracing every transaction made by a customer, if necessary, including tracing the customer's identity, transaction form, transaction date, and transaction denomination, as well as the source of transaction

funds. Also, futures brokers must monitor customer accounts and transactions, including analyzing possible predicate crimes or terrorism financing. They may request further data and information from the customer regarding transactions that are not in accordance with the profile, character, or pattern of transaction habits. Futures brokers are required to evaluate the results of monitoring customer accounts and transactions as referred to in paragraph 3 to ensure that there are no suspicious transactions. If there is a similarity in the name or other information of the customer with the name and information listed in the list of suspected terrorists and terrorist organizations established by the government or other countries in other jurisdictions, the futures broker must report the customer in a suspicious transaction report. If the data and/or information submitted by the customer does not provide a convincing explanation, the futures broker is required to report suspicious financial transactions to Indonesian Financial Transaction Reports and Analysis Center or *Pusat Pelaporan dan Analisis Transaksi Keuangan* (PPATK).

CoFTRA does not only regulate marketplaces that wish to become cryptocurrency platforms in Indonesia but also regulates investors who wish to carry out cryptocurrency buying and selling transactions where the conditions that must be met are that investors must first occupy the money to be used for transaction activities with a separate account on behalf of the market intended for the benefit of the futures clearing house. Cryptocurrency investors can only sell crypto assets if they have a crypto market balance. If any violations are committed by the crypto market, sanctions may be given for cancellation of the approval. With the cancellation of the agreement, the crypto asset market is obliged to return funds or surrender crypto assets owned by consumers of the crypto assets they manage, and are prohibited from accepting new crypto asset consumers. In addition to CoFTRA regulations, Law No. 11 of 2008 concerning Information and Electronic Transactions also provides legal protection, namely in Article 9 which stipulates that "every business actor offering products through an electronic system is required to provide complete and correct information regarding contract terms, producers, and the products offered" (Puspasari, 2020). The principle of knowing your customer in futures trading is also regulated in several regulations, namely, Law No. 15 of 2002 concerning Money Laundering Crimes, Law No. 25 of 2003 concerning Evaluation, and Law No. 8 of 2010 concerning Prevention, and eradication of money laundering crimes and other regulations by the head of PPATK.

#### 4. RISK DISCLOSURE DOCUMENT

This risk disclosure document is submitted to customers in accordance with Article 50, paragraph 2 of Law No. 10 of 2011 concerning Commodity Futures Trading, the purpose of this document is to inform potential losses or profits in trading derivative contracts in an alternative trading system can reach very large so that customers must be careful in deciding to make transactions, including risk disclosure documents (Welliani, 2021), including

trading derivative contracts in an alternative trading system is not necessarily suitable for every investor; trading derivative contracts in an alternative trading system has risks and possible losses that are even greater than the amount of the margin deposit to the futures broker; be careful with statements that say that customers will gain large profits in trading derivative contracts in an alternative trading system; due to the leverage mechanism and the nature of derivative contract transactions in the alternative trading system, customers can feel the impact of losses in a short time. Under certain market conditions, customers may find it difficult or impossible to liquidate their assets. Under certain conditions in the market, the customer may find it difficult or impossible to manage the risk of an open position in a derivative contract in an alternative trading system by opening positions with the same value but opposite positions in different month contracts.

In this context, customers can experience enormous losses due to information system failures as every derivative contract in an alternative trading system carries a risk, and no trading strategy will be devoid of that risk and daily trading strategies in derivative contracts in alternative trading systems have their own risks. To determine conditional mandates, derivative contracts in the alternative trading system will be liquidated under certain conditions to stop losses. Thus, the customers must read carefully and understand the agreement for granting customer orders to futures brokers before entering into derivative contract transactions on alternative trading systems. This brief statement cannot detail all the risks or other important aspects of futures trading. Therefore, customers must study futures trading activities carefully before deciding to make a transaction. This risk disclosure document is prepared in the Indonesian language mandate giving contract.

Giving contract mandates is the key that governs the relationship between customers and futures brokers, but in practice, futures brokers often do not comply with regulations, both rules, and articles in contracts, which can be detrimental to customers. Legal protection for customers before giving a contract mandate is signed or the implementation is regulated in the technical provisions for the behavior of futures brokers which in detail refer to CoFTRA Regulation No. 8 of 2019 which contains matters that must be obeyed and prohibitions that cannot be carried out by futures parties. Legal protection for customers is also contained in several contractual clauses for granting mandates. According to the data obtained by CoFTRA, many of the implementations of mandate-granting contracts in the field are not in accordance with the applicable regulations. Obstacles that cause the implementation of contracts to be not in accordance with the law, come from futures brokers in the form of dishonest and fraudulent actions, and from customers, namely lack of knowledge about futures trading, laziness to read various documents, and great trust in futures brokers. Investment is defined as a form of transaction or agreement between investors (owners of capital) and investees (individuals/companies that need venture capital). for businesses to be able to advance and maintain the value of capital, whether in the form of cash,

equipment, immovable property, intellectual property, or skills. The development of investment in Indonesia is undeniably influenced by various factors, one of which is the important factor of legal certainty that investors need (Juniadi & Markeling, 2018; Utomo, 2015).

This arrangement regarding cryptocurrency is in accordance with a neo-classical economic theory which in essence argues that investment has a positive contribution to the economic development of the host country (Wardani et al., 2022). Several factors can support the positive contribution of investment to the economic development of the host country, countries such as foreign investors who bring capital to the host country, which affect the quality and quantity in the country, the flow of capital and return on investment profits, encourage an increase in total savings in the host country, as well as an increase in government revenues through taxes and payments. Foreign investment as a whole is beneficial or profitable for the host country so that it can encourage economic growth and national development.

Legal remedies that can be taken by customers if they feel cheated by the actions of their futures brokers are in a non-litigation manner, namely through deliberations through settlement facilities available at the Indonesian Stock Exchange (IDX) or CoFTRA and litigation through lawsuits in district courts. The provision of agreement mandates that are often not in accordance with the law advises customers to be careful in choosing a futures broker so they do not feel cheated later, and for futures brokers to work with their customers honestly, CoFTRA as a supervisory body must further enhance customer protection by carrying out preventive or repressive measures (Hidayati, 2017).

## 5. AUTHORITY OF THE INDONESIAN COMMODITY FUTURES TRADING REGULATORY AGENCY (BAPPEBTI)

The Indonesian Commodity Futures Trading Supervisory Agency is a supporting element in the Indonesian Ministry of Trade which is under and responsible to the Indonesian Ministry of Trade and is linked to Bank Indonesia and legal institutions including the police. Futures brokerage companies that do not yet have permission from CoFTRA will be declared illegal brokerage companies. Customers who make transactions with these illegal brokerage companies, CoFTRA is not responsible for losses suffered by customers caused by these illegal brokerage companies (BAPPEBTI, 2021). CoFTRA has the task of issuing regulations and overseeing futures trading activities on the futures market as well as physical markets and services. In detail, BAPPEBTI's duties are issuing a business license, issuing investment rules, examination of permit owners and parties suspected of committing violations, supervising promotional activities, so that there are no misleading advertisements in futures trading, facilitating settlement of disputes related to futures trading, receive reports from customers when experiencing problems with their broker.

CoFTRA aims as a supervisory body based on Law No. 10 of 2011 concerning Commodity Futures Trading which is authorized to conduct examinations of any party suspected of either directly or indirectly

committing violations and/or being involved in violations of laws and regulations in the field of commodity futures trading, in accordance with BAPPEBTI's duties, objectives and authorities mentioned above, every futures brokerage company conducting its business activities in Indonesia must have a permit issued by BAPPEBTI. To carry out its main tasks, CoFTRA has some authorities such as issuing permitting businesses for futures markets, futures clearing houses, futures brokers, futures advisers, and futures fund managers; individual permits to become representatives of futures brokers, representatives of futures advisors, representatives of futures fund managers; certificate of registration for futures traders; as well as approval for futures brokers to channel futures customer orders overseas and for banks to store funds related to futures trading.

Other authorities are to ratify the rules and regulations for the futures market and futures clearing institutions and futures contracts to be traded on the futures market, ensuring that futures markets and futures clearing institutions carry out intensive supervision and provide strict sanctions against violators, determine the maximum number of open positions that can be owned and limits on the number of open positions that must be reported, establish a list of overseas futures markets and futures contracts that can be the destination for channeling the trust of local customers. The examination of each party who has permission and orders to inspect and investigate parties suspected of violating regulations in the field of futures trading requires each party to stop or correct misleading advertisements or promotions in futures trading and to establish tools for dispute resolution for futures trading activities.

## 6. COMMODITY FUTURES TRADING ARBITRATION BOARD (BAKTI)

Settlement of civil disputes between parties in futures trading can currently be resolved through the Commodity Futures Trading Arbitration Board or *Badan Arbitrase Perdagangan Berjangka Komoditi* (BAKTI). BAKTI is expected to become a competent body to resolve disputes between parties in futures trading if attempts at mediation through deliberations fail. The development of futures trading has recently shown enormous progress. This development goes hand in hand with the increasing number of problems which will later become disputes between market participants (Dourado & Brito, 2014).

Four main things form the basis for the establishment of BAKTI, namely the need for stakeholders, support from authorities, the existence of procedural law to process cases, and arbitrariness. BAKTI will resolve disputes that occur between market players in the field of futures trading quickly, cheaply, transparently, independently, efficiently, and effectively outside of the general court. In Article 1, number 1 of BAKTI Regulation No. 01 of 2009 concerning Arbitrary Rules and Procedures, an arbitrator is a person or more listed in the list of BAKTI arbitrators who are selected by the parties or appointed by the management according to rules and procedures, to examine and make a decision regarding a dispute

that is proposed for settlement through arbitration, both in his position as sole arbitrator or court arbitrator (BAKTI, 2009). Then in Article 1, number 3 of BAKTI Regulation No. 1 of 2009, it is stated that the BAKTI method is a method of resolving civil disputes which are carried out in writing by the parties to the dispute and are resolved according to these rules and procedures, hereinafter referred to as "arbitration" (BAKTI, 2009).

Legal remedies are efforts made to obtain legal protection which is the right of every person. Efforts to obtain legal protection, of course, what humans want is regularity and regularity between the basic values of law, namely legal certainty, legal benefits, and legal justice (Sapromo, 2019). Legal protection is a narrowing of the meaning of protection, in this case only protection by law. The protection provided by law is also related to the existence of rights and obligations, in this case, those owned by humans as legal subjects in their interactions with human law and their environment (Kurniati, 2017). The scope of arbitration procedures, based on Article 2, only regulates the settlement of disputes between the parties in a particular legal relationship after an arbitration agreement has been established which expressly states that all disputes arising or which may arise from legal relations will be resolved through arbitration. BAKTI's authority is regulated in Article 3 (Simanjuntak, 2019).

Disputes that can be resolved through arbitration are only disputes in commodity futures trading and regarding rights according to laws and regulations which are fully controlled by the parties to the dispute, while disputes which, according to laws and regulations, cannot be reconciled, cannot be resolved through arbitration. In Article 4 of BAKTI Regulation No. 1 of 2009 concerning the Arbitration Agreement (BAKTI, 2009), it is stated that the parties, taking into account the provisions of Article 3 of BAKTI Regulation No. 1 of 2009 concerning (BAKTI, 2009) Arbitration Rules and Procedures, can agree that a dispute will occur or will occur between the parties to be resolved through arbitration and include the agreement in the arbitration agreement. If the parties to an agreement or business transaction make an arbitration agreement designating arbitration as a means of dispute resolution, then disputes that arise between the parties must be resolved under BAKTI administration and negate the rights of the parties to submit dispute resolution through district courts and/or institutions other arbitrations. If the parties choose to resolve the dispute through arbitration after the dispute has occurred, an agreement regarding this matter must be made in a written agreement signed by the parties or in the form of a notarial deed.

The BAKTI arbitration requirements were stipulated in Article 7. Arbitration can only be carried out for the parties to the dispute if the conditions are met namely the parties are bound by the arbitration agreement. The arbitration agreement explicitly states that the parties designate arbitration as a dispute resolution forum. Submission of applications by applicants to BAKTI in accordance with the rules and procedures. The parties, both individuals and groups, have paid the costs required to conduct arbitration, in accordance with the rules and procedures.

The arbitration hearing is to check whether a dispute has occurred. If a dispute arises before submitting the application, the applicant must notify the respondent in the form of a registered letter, courier, facsimile, and/or email that the terms and conditions of arbitration in the arbitration agreement are valid and enforceable.

The notification letter to hold arbitration as referred to in number 2 of BAKTI Regulation No. 1 of 2009 must clearly contain the names and addresses of the parties, recommendations on the applicable arbitration agreement, the basis of the request and the amount required if any and desired dispute resolution. In the context of agreement on the number of arbitrators, or if there is no agreement, the applicant may propose a number of arbitrators. One of the dispute resolutions through non-litigation channels is arbitration. Based on Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, Article 1, number 1, it is stated arbitration is a method of settling civil disputes outside a general court based on an arbitration agreement made in writing by the parties to the dispute (DPR, 1999). If no consensus is reached by the parties, the Disputing Crypto Asset Trading transaction can be resolved through a forum provided by the Futures Exchange through the BAKTI. BAKTI specializes in civil disputes related to Commodity Futures Trading, Warehouse Receipt Systems, and/or other transactions regulated at CoFTRA, as specified in BAKTI Regulation No. 1 of 2009 concerning Arbitration Rules and Procedures (BAKTI, 2009). Litigation legal efforts will be carried out if the settlement of the problem through mediation and BAKTI is not reached, the parties can also choose dispute resolution through the Consumer Dispute Settlement Agency or *Badan Penyelesaian Sengketa Konsumen* (BPSK) as stipulated in the provisions of Article 52 Law No. 8 of 1999 concerning Consumer Protection that BPSK has the authority handle and resolve consumer disputes, through mediation or arbitration or conciliation. With regard to legal protection against losses experienced by investors as consumers in crypto asset transactions carried out with elements of fraud by business actors who sell crypto assets, investors can file a dispute resolution lawsuit against BPSK where BPSK's decision is final and binding.

## 7. CONCLUSION

This study highlights the need for regulation of the futures market as a valuative commodity market that offers products, goods, services, rights, and other interests. With a large value and a relatively high risk, an institution whose job is to assist, supervise and regulate the course of transactions is needed so that trade can be efficient, effective, open, and fair for all parties involved. CoFTRA in Indonesia plays a role in determining regulations related to activities in the futures market to benefit clients to gain profits and certain regulations are made to create stability in the futures market.

This study has several limitations. First, this study does not analyze multilateral transactions in the field of commodity futures trading, which are still less liquid. Even though commodity futures trading is basically an industry that should be used as a means of hedging exporters, importers, and

other commodity traders from fluctuations in commodity prices. Second, this study does not invest enough in the market function. Auctions are not become an effective and efficient marketing tool. In fact, holding auction markets is a positive effort in advancing the trade and agriculture sector, especially producer farmers who have so far tended to be marginalized by the mechanism of

the conventional trading system. For this reason, future research is expected to be able to analyze effective and transparent means of price formation so that the prices are on the futures exchange. In addition, future research is also expected to be able to analyze the pattern of stakeholders and business actors in finding price references and also as an investment alternative.

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