Overcoming Regulatory Hurdles in the Indonesian Crowdfunding Landscape

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With the exponential rise in crowdfunding, several pertinent issues have come to the fore. These include unauthorized access to personal data, exorbitant interest rates for funding recipients, and investor fund security concerns. Other issues, such as aggressive debt collection practices and misuse of donated funds, also warrant attention. The underdeveloped state of crowdfunding regulations in Indonesia, which offers insufficient legal certainty and protection, is often blamed for these issues. Thus, a thorough examination of the legal and regulatory framework governing crowdfunding in Indonesia is crucial. This study scrutinizes the legal norms, identifies, and harmonizes the diverse regulations applicable to crowdfunding in Indonesia. The findings underscore the necessity for enhancements in the laws and regulations pertinent to crowdfunding. Key areas of focus should include establishing a legal status for crowdfunding platforms, setting fair interest rates, fortifying investor fund security mechanisms, penalizing illegal crowdfunding activities, and intensifying oversight of fund usage in donation-based crowdfunding schemes. Equally crucial is the imposition of penalties for regulatory breaches in crowdfunding, reflecting a genuine commitment towards ensuring justice and legal certainty in all crowdfunding transactions.

**Keywords:** Crowdfunding; Regulation; Legal Certainty; Justice.

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**INTRODUCTION**

Over recent years, the emergence of crowdfunding as a vibrant economic mechanism has been swiftly evolving in parallel with advances in information technology. Rooted in the concept of crowdsourcing—where services, assets, or knowledge are procured through the collective input of online communities and internet users—crowdfunding has undergone significant transformation. Initially, crowdfunding was primarily geared towards sourcing donations for philanthropic

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endavors, as exemplified by the launch of JustGiving in the United Kingdom in 2000. However, the establishment of the Kiva platform in 2005, which utilized crowdfunding for lending purposes, marked a pivotal turning point. This development was subsequently followed by the inception of lending platforms such as Zopa and Prosper, which revolutionized the lending industry. As it stands, crowdfunding has evolved into a reliable financing for startups and small businesses. The surge in crowdfunding’s popularity can be traced back to the global financial crisis of 2008, instigated by the collapse of the US financial market. This crisis catalyzed a shift towards crowdfunding as a favored fundraising alternative for entrepreneurs due to its wide-ranging access to capital and the diversification of financing sources it offers.

In Asian markets, crowdfunding has emerged as a preferred method for entrepreneurs to garner funds for their business growth. Notably, the surge in non-profit crowdfunding through donations in Indonesia has been outstanding. Within a span of four years, from 2013 to 2017, the market size for this specific crowdfunding model rocketed from US$1.16 million to an impressive US$13.95 million. Moreover, securities-based crowdfunding, designed to yield returns, is also witnessing a positive trajectory. As of July 2023, the investor count on securities-based crowdfunding platforms reached 156,632, with the invested funds amounting to a substantial IDR 911.35 billion. Concurrently, the tally of securities issuers escalated to 423 entities.

Despite its allure for entrepreneurs and investors, crowdfunding is not devoid of potential risks. The platform is prone to fraudulent activities, money laundering, and intellectual property theft. Fraud may occur when project initiators manipulate the trust of investors for personal profit. Money laundering becomes a risk when individuals deliberately use crowdfunding platforms to circulate funds acquired unlawfully. Intellectual property theft, including the misappropriation of trade secrets, trademarks, and copyrighted materials, poses a threat to both the crowdfunding platform and the project initiators.

To mitigate these risks, the Financial Services Authority (OJK)—a state agency mandated by Law No. 21 of 2011 to regulate and supervise the financial services industry—is tasked with curbing risks in debt and securities-based crowdfunding services. Similarly, the Ministry of Social Affairs oversees regulation and supervision of donation and gift-based crowdfunding activities. Notably, even prior to the surge in donation-based crowdfunding facilitated by information technology, the government had implemented Law No. 9 of 1961. This law governs the collection of funds and goods intended for social activities.

Prolific studies undertaken by experts across a range of fields have illuminated the current state of crowdfunding services and the accompanying regulatory measures. A notable investigation by Prokofeva et al. scrutinized the regulatory landscape of crowdfunding in Russia and Belarus, concluding that these nations’ infrastructures are significantly lagging behind the global norms.12 In a parallel vein, Battisti, Creta, & Miglietta explored the impact of equity crowdfunding (ECF) regulation on Italy’s real estate sector. Their findings pointed to an accelerated expansion of ECF within the country, juxtaposed with an excessively stringent regulatory framework.13 Furthermore, Alhammad, AlOthman, and Tan embarked on an extensive review of crowdfunding regulations across different nations. They deduced that a robust regulatory framework is of paramount importance to nurture startups, foster innovation, and support entrepreneurs. This framework should adeptly balance the protection of investors and the needs of businesses seeking funds. Specifically, the regulations should safeguard client funds, oversee crowdfunding advertising and investment limits, and regulate authorization and disclosure duties.14 Their research underscores the necessity of stringent regulation within the financial industry, emphasizing that inadequate regulation can lead to compromised consumer protection. As such, crowdfunding, being a part of the financial industry, mandates rigorous regulation to ensure its successful operation and the protection of all stakeholders involved.15

In light of the preceding research, the aim of this study is to delve into the effectiveness of Indonesian crowdfunding laws and regulations—encompassing debt, securities, donation, or reward-based crowdfunding—in establishing legal certainty and ensuring equitable protection for crowdfunding service users. To attain this objective, we will undertake an exhaustive inventory, systematization, and synchronization of the prevailing crowdfunding regulations in Indonesia. We anticipate that a thorough comprehension of these regulations, in the context of Indonesia’s burgeoning crowdfunding scene, will yield a study that could serve as a basis for devising regulations that bolster legal certainty and fairness. Such regulations would also stimulate the sustainable expansion of crowdfunding in the future. Striking the optimal balance between innovation and regulation could pave the way for the sustained growth of crowdfunding, all while protecting the interests of the involved parties.16

RESEARCH METHODOLOGY

This study is primarily centered on the legislation and regulatory frameworks governing crowdfunding, encompassing both statutory laws and Financial Services Authority regulations. Consequently, we have utilized a statutory approach, thus categorizing our research as doctrinal legal study, which perceives law as a set of obligatory rules. The data for our research is derived from secondary data sources, specifically regulations and academic works pertinent to crowdfunding. These were procured through an extensive review of relevant literature. Our research process entailed the inventorying, legal synchronization, and analysis of norms encapsulated in the laws and regulations related to crowdfunding.

ANALYSIS AND DISCUSSION

Crowdfunding operates as an online fundraising mechanism where individuals contribute minor sum of money to endorse a specific initiative or enterprise. The incorporation of the internet as a medium for fundraising categorizes it under the umbrella of financial technology. As per Talukder’s definition, crowdfunding is an approach to funding wherein individuals pledge small monetary contributions online within a restricted timeframe to actualize an initiative. This definition underscores the expansive scope of crowdfunding, as it could encompass any fundraising activity where a collective of individuals donates funds towards a specific project. This is irrespective of whether the project is profit-driven or non-profit, thereby broadening the understanding of what constitutes crowdfunding.

Crowdfunding, based on the nature of financial returns offered to fundraisers, can be segmented into four primary categories. The initial category is donation-based crowdfunding. Here, fundraisers do not accept any financial returns. These raised funds, collected through crowdfunding platforms, are typically allocated to social causes, education, healthcare, or creative industries. Platforms like Kitabisa.com, AyoPeduli.id, and GandengTangan exemplify this model. The second category is reward-based crowdfunding. In this case, fundraisers receive tangible or intangible rewards in return for their financial contribution to a specific project. Here, the project owner offers rewards in the form of goods, services, or certain privileges, without sharing the profits generated from the project or business. In Indonesia, platforms such as IndoGiving.com and Kolase.com adopt this gift-based crowdfunding approach. Thirdly, we have debt-based crowdfunding, also known as financial technology (fintech) lending. This model involves borrowing money or providing loans where the

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fundraiser is bound to repay the loan with interest. Nevertheless, fundraisers typically bear the interest and are obliged to pay fees to the respective crowdfunding platform. In Indonesia, there are 104 debt-based crowdfunding platforms, both licensed and unlicensed, registered with the OJK. Platforms like Investree and Ammana serve as examples of debt-based crowdfunding platforms. Finally, we have equity-based crowdfunding. In this model, the funders, acting as investors, receive equity signifying partial ownership of the company, and are entitled to dividends. This approach is commonly used by start-up or small and medium entrepreneurs seeking funding resources to kick-start or expand their businesses. In Indonesia, platforms such as Santara, Bizhare, Crowddana, LandX, and Danasaham exemplify this securities-based crowdfunding model.

Crowdfunding’s emergence as a rapid expanding funding source has garnered considerable focus and interest, primarily due to its potential as a tool for financing economic and social endeavors. It presents an innovative and potent alternative for channeling funds into small, inventive startups. These startups are acknowledged as vital growth catalysts and job creators. However, they often face hurdles in securing financing via traditional pathways such as banking institutions. This is largely due to the absence of collateral assets and the instability of cash flows.

With the ascendancy of crowdfunding, a set of significant issues have surfaced that demand careful attention. These concerns primarily encompass the risks of fraudulent activities, potential criminal offenses, inadequate investor protection, and the exploitation of donations for personal profit. A study undertaken by Cumming et al., scrutinizing crowdfunding campaigns on the Kickstarter platform from 2010 to 2018, revealed 193 instances of fraud. Another example of crowdfunding fraud was perpetrated by Ascenergy, which managed to amass USD 5 million. Alarmingly, USD 1.2 million of these total funds were misappropriated by the company founders for non-business-related activity.

Between 2019 and 2021, the Financial Services Authority received a staggering 19,711 reports from the public concerning the conduct of debt-based crowdfunding providers. Of these total complaints, 10,441 (52.97%) were categorized as minor or moderate violations, while the
remaining 9,270 (47.03%) constituted serious infractions, including infringements on service user rights. These infringements ranged from threats of personal data leaks to instances of sexual harassment and intimidation. The complaints underscored the weak safeguards in place for investor funds and pinpointed instances of donation misuse for personal gains, as evidenced in the Aksi Cepat Tanggap (ACT) and Cak Budi cases.32

Navigating Regulatory Complexities in Debt-Based and Securities-Based Crowdfunding

The advent of technology and information has left an indelible mark on numerous facets of human existence, one of which is the emergence of diverse crowdfunding models—securities-based, reward-based, donation-based, or debt-based. The presence of crowdfunding necessitates the establishment of precise legal guidelines. In Indonesia, debt-based crowdfunding is specifically regulated under OJK Regulation No. 10/POJK.05/2022 (POJK 10/2022) pertaining to Information Technology-Based Crowdfunding Services. POJK 10/2022 is an exhaustive regulation encompassing the operation, registration, and licensing of information technology-driven crowdfunding platforms. It also includes clauses targeting the education and protection of users, alongside penalties for any infringements of this regulation. While at first glance, POJK 10/2022 seems to effectively govern the administration of debt-based crowdfunding services, a deeper examination uncovers certain vulnerabilities that could potentially undermine the safeguarding of lenders and loan beneficiaries engaged in crowdfunding.34

Article 30 of POJK 10/2022 sidesteps the regulation of agreements between debt-based crowdfunding platforms and loan recipients, a feature present in the preceding regulation. The legal relationship between crowdfunding platforms and loan recipients under this article remains unchanged from its predecessor, POJK 77/2016.35 In fact, Article 18 of POJK 10/2022 further clarifies that debt-based crowdfunding platforms are neither bound to nor maintain any formal legal relationship with borrowers.36 Consequently, these platforms evade accountability for any infringement of consumer rights, adhering strictly to the principle of privity of contract.

However, the norms codified in Articles 18 and 30 appear to contradict the stipulations of Article 2 and Article 3 of POJK 10/2022, which designate debt-based crowdfunding platforms...
as financial institutions with a legal entity status of a limited liability company. Similarly, Article 30 of POJK 10/2022 conflicts with Article 4 of Law No. 8/1999 on Consumer Protection, which mandates entities to uphold consumer rights, including the right to access information on services provided by these entities. In light of Law No. 11/2008 regarding Electronic Information and Transactions, business establishments that manage crowdfunding services based on information technology are identified as electronic system business actors. As a result, platform that facilitate debt-based crowdfunding services should bear responsibility when their service users, i.e., lenders and loan recipients, incur losses from using these services. Generally, the following table outlines some reasons why consumers of debt-based crowdfunding have yet to receive adequate justice and legal protection:

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Details as per POJK 10/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status of the Platform</td>
<td>POJK 10/2022 classifies debt-based Crowdfunding platforms as distinct financial service institutions, not as business entities.</td>
</tr>
<tr>
<td>Unregulated Debt-Based Crowdfunding Platforms</td>
<td>POJK 10/2022 lacks specific regulations concerning legal measures that can be taken against unauthorized debt-based crowdfunding platforms.</td>
</tr>
<tr>
<td>Interest Rate Policy</td>
<td>POJK 10/2022 does not provide guidelines for interest rates. The responsibility for determining interest rates falls to the Indonesian Joint Funding Fintech Association and is only enforceable for registered or licensed crowdfunding platforms.</td>
</tr>
<tr>
<td>Security of Funds</td>
<td>Absence of a credit guarantee or insurance institution.</td>
</tr>
</tbody>
</table>

Source: Compiled Research Data, 2023

Table 1 vividly demonstrates the gaps in POJK 10/2022, which include the lack of guidelines for interest rates, the non-classification of crowdfunding platforms as commercial entities, absence of legal recourse against unauthorized crowdfunding platforms, and deficient protection for lender funds. These significant shortcomings result in subpar safeguards for users of debt-based crowdfunding services and infringe upon the citizens’ right to legal protection and equitable legal certainty, as outlined in the Article 28 D, paragraph 1 of the 1945 Constitution. The emergence of debt-based Crowdfunding as a viable source of funding for small businesses necessitates robust regulation. This is crucial given the significant role that small and medium-sized enterprises (SMEs) play in bolstering the national economy. The influence of small businesses should be counterbalanced by the enhancement of regulations that offer legal certainty and fairness. Reinforcing regulations without providing legal certainty and justice contradicts the fundamental purpose of law, as law is primarily a tool to uphold legal certainty and justice.

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are devised with the aim of delivering justice, ensuring certainty, and offering benefits to all societal members.\textsuperscript{40}

Initially, the regulation of securities-based crowdfunding was addressed in OJK Regulation No. 57/POJK.04/2020, focusing on Equity-Based Crowdfunding via Information Technology-Based Services. This regulation was later superseded by OJK Regulation No. 16/POJK.04/2021, with a wider scope covering Securities-Based Crowdfunding through Information Technology-Based Services. Notably, these regulations encompass securities extending beyond shares, including debt securities and Sukuk.

POJK 57/2020 incorporates several facets related to Securities Crowdfunding (SCF), such as the formation process of an SCF platform, the requisite form and capital for a legal entity, licensing procedures under OJK supervision, SCF platform ownership, obligations and limitations for both SCF platforms and issuers, permissible types of securities for offerings, procedures for securities offerings, stakeholders in SCF (including issuers, organizers, and investors), procedures for securities purchase and delivery, agreements between investors and SCF platforms, agreements between SCF platforms and issuers, data confidentiality, education and protection of crowdfunding service users, as well as execution of anti-money laundering programs.

Upon initial scrutiny, securities-based crowdfunding regulation seemingly presents certain advantages over debt-based crowdfunding, including provisions for Sharia SCF, which complies with Islamic law principles.\textsuperscript{41} Within the realm of Sharia economic law, adherence to Sharia compliance is a requisite institutionalized in Islamic financial institutions.\textsuperscript{42} However, POJK 57/2020 on SCF raises several challenges. According to Article 4 of POJK 57/2020, an issuer is designated as a public limited company under the Capital Market Law if it has more than 300 shareholders and the total paid-up capital surpasses thirty billion Rupiahs. This provision significantly deviates from the definition provided in Article 1 No. 22 of Law No. 8/1995 on Capital Market, which defines a public limited company as one with a minimum of three hundred shareholders and at least three billion Rupiahs in paid-up capital, or a different number of shareholders and paid-up capital as defined by government regulation.\textsuperscript{43} A notable numerical disparity exists between the paid-up capital requirements for a public limited company as per POJK 57/2020 and those specified in Law No. 8/1995 on Capital Markets. The paid-up capital formulation in POJK 57/2020 contradicts the Capital Market Law provisions, creating a legal paradox as conflicting rules cannot coexist as valid regulations.\textsuperscript{44} Such conflicting regulations compromise legal certainty, a cornerstone for economic efficiency.\textsuperscript{45}


POJK 57/2020 presents a conflict within its own framework, specifically in Article 2, which designates SCF platform operations as a financial service within the capital market sector. Pursuant to section 13 of the Capital Market Law No. 8/1995, a financial service in the capital market sector must take the form of a public limited company. Contrarily, POJK 57/2020 does not mandate that the issuer must be a public limited company. Instead, it permits all forms of business enterprises, inclusive of legal entities and other business entities, to issue securities via the SCF platform, provided their assets do not exceed 10 billion Rupiahs. Hence, the wording of Article 2 in POJK 57/2020 contradicts that of Article 1. Given that laws and regulations constitute a crucial component in the rule of law to facilitate national goal attainment, they ought not to contain contradictions or problems.

POJK 57/2020 falls short in adequately addressing the issue of unauthorized SCF platforms. As per Article 5, organizers are obliged to hold a business license from the OJK, and a violation of this rule results in administrative sanctions as outlined in Article 85. However, these provisions do not extend to illicit SCF platforms operating without an OJK business license. POJK 57/2020 strictly applies to SCF platforms that have secured proper licensing from the OJK. According to data from the Indonesian Crowdfunding Services Association (ALUDI), of its 33 members, only 16 SCF platforms hold licenses, while the remaining 17 platforms operate without the necessary OJK authorization, serving as SCF service providers.

Moreover, while POJK 57/2020 acknowledges the importance of user education and protection, it omits provisions for dispute resolution or establishment of dedicated dispute resolution entities. This oversight leaves both issuers and investors without well-defined paths for conflict resolution. It is imperative that the regulation incorporates mechanisms and institutions for dispute resolution to ensure the protection of both issuers’ and investors’ rights. These could range from internal resolution procedures to external measures such as recourse to judicial bodies, or alternative dispute resolution methods like arbitration, mediation, and conciliation.

From a normative perspective, debt-based and equity-based crowdfunding have existing legal frameworks, as defined in POJK 10/2022 and POJK 57/2020. These provide a managerial foundation for their operations and a sense of legal certainty. However, legal certainty extends beyond the mere enactment of POJK 10/2022 and POJK 57/2020; it also incorporates an assessment of the practical utility of these legal instruments, as proposed by Jeremy Bentham with his “legal utilitarianism” theory. Bentham contends that the law’s purpose is to maximize societal benefit and happiness. Thus, utilitarianism does not merely concentrate on legal certainty but also considers solutions to issues deemed morally significant by the society. The efficacy of laws and regulations is gauged

by their success in achieving the desired outcomes. Therefore, attributes such as utility, pleasure, and happiness should factor into the assessment of a positive norm’s sustainability and its potential for preservation.

A strategy to ensure legal certainty and advantages for securities-debt crowdfunding is to enact laws specifically governing this area, similar to practices in the United States. In 2012, the U.S. President ratified the JOBS (Jumpstart Our Business Startups) Act, establishing a legal framework for securities-based crowdfunding. The conversion of securities-based crowdfunding regulations into statutory law is more preferable than maintaining them as merely the regulations of the Financial Services Authority (OJK).

Navigating Regulatory Hurdles in Donation-Based and Reward-Based Crowdfunding

Donation-based and reward-based crowdfunding primarily cater to raising funds for social causes, education, health, and other non-profit initiatives. While these crowdfunding types do not have specific regulations in Indonesia, their legal foundation is present in Law No. 9/1961 concerning Fund or Goods Collection. As per Article 1 of this law, any fund or goods collection aimed at social, religious, spiritual, physical, or cultural welfare activities falls within this jurisdiction. Hence, non-investment-oriented fundraising efforts aligning with these objectives can be classified as donation-based or reward-based crowdfunding.

Articles 2 and 3 of Law No. 9/1961 stipulate that fund or goods collections with a national or regional reach necessitate a permit from the concerned authority, such as the Ministry of Social Affairs or local government. However, collections carried out within restricted settings, like small community groups, specific community organizations, or within educational institutions, offices, or meetings, are exempt from this requirement. Therefore, donation-based and reward-based crowdfunding can proceed provided the requisite permissions are secured from the government. Platforms facilitating these crowdfunding activities must obtain two types of permits: one for community fundraising from the Ministry of Social Affairs and another as an electronic system operator from the Ministry of Communication and Information Technology.

In the wake of Law No. 9/1961, the Indonesian government enacted Government Regulation No. 29/1980, which provides guidelines for Donation Collection. As per Article 1, point 3 of this regulation, donation collection is characterized as any efforts to amass money or goods aimed at fostering development in sectors ranging from social and religious to physical, educational, and cultural. Organizations intending to solicit donations are mandated to secure a permit from the

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52 Vladimir Ivanov and Anzhela Knyazeva, “U.S. Securities-Based Crowdfunding under Title III of the JOBS Act I Summary Below We Present Initial Evidence on the Offering Activity in the Title III Crowdfunding Market for Offerings Initiated During,” 2017, 1–27.
Ministry of Social Affairs, which remains valid for a three-month period, extendable by a month. The procedure for obtaining the permit adheres to the protocol specified in Minister of Social Affairs Regulation No. 11/2015. This regulation delineates the Standard Operating Procedures for Licensing Services for conducting Free Prize Draws and Online Collection of Money or Goods. However, this regulation was superseded by the Minister of Social Affairs Regulation No. 4/2021, which specifically pertains to Free Prize Draws.

To bridge the regulatory gap left by the revocation of Minister of Social Affairs Regulation No. 11/2015, the Minister of Social Affairs introduced Regulation No. 8/2021, governing the Collection of Money and Goods. Despite its introduction, this regulation has been critiqued for its lack of criminal sanctions, limiting its effectiveness as a deterrent against potential misuse of fund by crowdfunding service providers. The inclusion of criminal sanctions in regulatory frameworks is crucial, given their potential to enhance regulatory effectiveness through the imposition of stringent penalties. It is worth noting that the ministerial regulations, being a secondary legislation, do not carry the same legal weight as primary laws and regulations. As a result, the legal authority of the stipulations within such regulations is not at the apex of the legal hierarchy.

Moreover, a significant concern arises from Article 6, Paragraph 1 of Government Regulation No. 29/1980 pertaining to Donation Collection Implementation. This clause allows organizations engaged in fundraising activities to retain up to 10% of the collected donations to finance their operations. The potential for misuse with this provision looms large, as it could lead to the redirection of funds meant for charitable causes towards operation expenses and profit-generation for the fundraising entities. This could result in some organizations becoming excessively dependent on donation collection as their primary income source.

In the context of reward-based crowdfunding services, while Government Regulation No. 29/1980 on Donation Collection Implementation does not explicitly regulate these services, the regulation’s broader focus on general donation collection suggests its applicability to this domain. Similarly, the Minister of Social Affairs Regulation No. 8 of 2021 concerning Money and Goods Collection could also serve as a legal basis for reward-based crowdfunding. However, relying on these regulations as legal grounds for reward-based crowdfunding is problematic, given the lack of clear legal certainty, thereby deviating from principles of justice and consumer protection.

Broadly, Indonesia’s crowdfunding regulations require a comprehensive overhaul to ensure legal certainty and fairness for all stakeholders involved in the service. To achieve these goals, it is vital to establish laws that cater to the unique nature and character of the crowdfunding business. Merely having crowdfunding regulated by formal legal regulations is insufficient, as these regulations lack the power to impose prison sentences as sanctions. As per Law No. 12 of 2011, last amended by Law No. 13 of 2022, criminal norms can only be formulated in formal laws and regional regulations. The establishment of laws specifically regulating crowdfunding in the future is crucial to safeguard community interests, as stipulated in the Preamble of the 1945 Constitution, which underscores the state’s obligation to protect community interests and promote welfare.

CONCLUSION

A pressing call for comprehensive revision and modernization of Indonesia’s Crowdfunding Regulations is evident. While existing laws encompass a range of crowdfunding models, from debt and securities-based, they fall short in addressing several significant issues. The clarity of the platform’s legal position, tackling illicit platforms, managing high-interest rates, and lacking investor fund protection remain areas of grave concern. Furthermore, current laws and regulations pertaining to donation and reward-based crowdfunding are deficient due to the absence of explicit operational implementation guidelines. This underscores the necessity for Indonesia’s Financial Services Authority (OJK) and the government to refine debt and securities-based crowdfunding regulations and devise specific laws for donation and reward-based crowdfunding models. Such initiatives will bolster the legal robustness of crowdfunding activities in Indonesia, promote transactional equity, and ensure comprehensive protection for all participants. Beyond mere enhancements, the translation of these regulations into formal laws is vital. This will facilitate the imposition of criminal penalties for regulatory breaches, enhancing the effectiveness of these laws and promoting stringent adherence. The implementation of such robust and targeted measures is anticipated to foster a fair, smooth, and legally solid operating environment for crowdfunding in Indonesia.

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