

A Comparative Study of Donald Trump's Tariff Announcements under U.S. and Indonesian Capital Market Law

Stefanie Hans¹, Marianne Charleen Sabini²

^{1,2}Program Studi Ilmu Hukum, Fakultas Hukum Universitas Pelita Harapan

¹01052220025@student.uph.edu

²01052220012@student.uph.edu

Abstract

The capital market in Indonesia rests on the law No. 8 of 1995 on Capital Market, which is enforced by the Financial Services Authority (OJK). The said law contains provisions concerning market conduct and material information disclosure and imposes sanctions for any manipulation or misleading practice in the financial sector. The fact is, however, that the need and practice of the regulatory regime in Indonesia, as compared with that of the U.S., are increased in intensity with respect to such factors as political pronouncements which do not follow the traditional spectrum of sources for market disruption. This comparison of legal systems will give a timely and interesting historic perspective on how capital market laws react to high-profile political communication events. To assess how Trump's proclamations on tariffs would be accommodated under the respective underpinnings of Indonesian and American securities law is thus not only academically enriching but very important for cross-border investors, regulators, and policymakers navigating the increasingly complex politics-financial world intersection. The result is, Indonesian legal and institutional structures have yet to develop to the extent of being capable of controlling these types of incidents well. Capital Market Act No. 8 of 1995 establishes broad definitions of manipulation but regulatory agencies and courts have not yet established clearly defined guidelines regarding how political and public communications affect market behaviors. The Otoritas Jasa Keuangan (OJK) needs to issue clear guidelines on digital communication surveillance and real-time monitoring capabilities since these capabilities are now essential in detecting new types of manipulation. Indonesia needs to implement several steps that will enhance its ability to respond to political distortions in the market. The Indonesian courts and OJK need to build their approach to interpretation through the process of learning comparative legal systems. The U.S. SEC issued landmark decisions via *SEC v. The Texas Gulf Sulphur Co.* and *Basic Inc. v. Levinson* decisions are solid precedents to determine whether public releases contain material misstatements or manipulative data. These decisions highlight the significance of materiality as well as scienter (intent) and the trading obligations of individuals possessing non-public information.

Keywords: comparative study; cross-border; authority

A. Introduction

Modern commercial and economic arrangements around the world are subject to a lot of political announcements which include tariffs among many other issues, easily disturbing capital markets. One such example is attributed to former U.S. President Donald Trump, whose pronouncements generally lack a structured process; they come as bolts from the blue. Most notably, his such pronouncements targeted China and other external trade partners; they shaped and would continue to shape the global trades but, at the same time, gave rise to immediate reactions and volatility in the financial markets associated with them.¹ For instance, in June 2018, the administration of Donald Trump announced tariffs worth \$34 billion for Chinese imports, which were almost immediately retaliated by Beijing and resulted in temporary downturns in the market.²

Cultural sections such as Trump's attempted tariffing of Visages produced from Hollywood's largest offshore markets found lines of attack beyond established commercial tariff boundaries. The political announcements thus become important under capital market regulations, as far as their legal aspects go, especially with respect to disclosure, market manipulation risks, or material information dissemination. According to one observer, this is so, as Trump's comments were often said to function as "market-moving signals," despite the fact that there was no formal policy backing them.³

The U.S. regulatory framework regarding capital markets is supported by federal statutes like the Securities Act of 1933 and the Securities Exchange Act of 1934. Such laws are administered predominantly by the Securities and Exchange Commission (SEC), and they strive to safeguard a transparent, equitable market environment while maintaining investor confidence. The laws elaborate on strict insider trading rules as well as disclosure and fraudulent practice mandates.⁴

In short, the capital market in Indonesia rests on the law No. 8 of 1995 on Capital Market, which is enforced by the Financial Services Authority (OJK). The said law contains provisions concerning market conduct and material information disclosure

¹ Center for PBS NewsHour. "A Timeline of Trump's Tariff Actions so Far." *PBS NewsHour*. Accessed May 7, 2025. <https://www.pbs.org/newshour/economy/a-timeline-of-trumps-tariff-actions-so-far>.

² Yahoo Finance. "Trump Tariffs Live Updates: US-China Trade Talks to Start This Week." *Yahoo Finance*, May 2025. <https://finance.yahoo.com/news/live/trump-tariffs-live-updates-us-china-trade-talks-to-start-this-week-with-bessent-leading-us-delegation-191201578.html>.

³ BBC. "US-China Trade War: Timeline of Key Events." *BBC News*, April 24, 2024. <https://www.bbc.com/news/articles/cn93e12ryygo>.

⁴ Legal 500. "United States: Capital Markets." *The Legal 500 Country Comparative Guides*. <https://www.legal500.com/guides/chapter/united-states-capital-markets/>

and imposes sanctions for any manipulation or misleading practice in the financial sector.⁵ The fact is, however, that the need and practice of the regulatory regime in Indonesia, as compared with that of the U.S., are increased in intensity with respect to such factors as political pronouncements which do not follow the traditional spectrum of sources for market disruption.⁶

This comparison of legal systems will give a timely and interesting historic perspective on how capital market laws react to high-profile political communication events. To assess how Trump's proclamations on tariffs would be accommodated under the respective underpinnings of Indonesian and American securities law is thus not only academically enriching but very important for cross-border investors, regulators, and policymakers navigating the increasingly complex politics-financial world intersection.⁷

B. Research Method

This study employs qualitative normative juridical research through doctrinal legal research methodology. Research through the normative juridical method studies positive law by analyzing legal norms that consist of statutory texts and implementing regulations and jurisprudence. The doctrinal analysis investigates capital market manipulation laws by evaluating their essential components and logical structure and assessing political figure statements that affect securities prices. The research examines legal norms to assess their effectiveness in stopping and managing market manipulation within the legal frameworks of the United States and Indonesia.

The research draws its information exclusively from secondary legal materials that consist of binding legal instruments alongside case law policy papers and academic commentaries. These are categorized as follows. Firstly, U.S. legal sources, which include Statutory Law, where the Securities Exchange Act of 1934 Section 10(b) establishes a prohibition against fraudulent conduct during the purchase or sale of securities. Regulations, on which the U.S. Securities and Exchange Commission (SEC) established Rule 10b-5 under Section 10(b) to ban any fraudulent or deceitful conduct in connection with securities transactions. SEC Guidance and Enforcement Cases, including, the Texas Gulf Sulphur Co. case (SEC v. Texas Gulf Sulphur Co., 401 F.2d

⁵ Otoritas Jasa Keuangan (OJK). Law No. 8 of 1995 on Capital Market. Accessed May 7, 2025. <https://ojk.go.id/en/kanal/pasar-modal/regulasi/undang-undang/Pages/law-no-8-of-1995-on-capital-market.aspx>.

⁶ Laurenzia Luna Fajar Sugianto, Yuber Lago, "STATE LAW, INTEGRAL ECONOMIC JUSTICE, AND BETTER REGULATORY PRACTICES: PROMOTING ECONOMIC EFFICIENCY IN INDONESIA," *Global Legal Review* 3, no. 2 (2023): 91–108.

⁷ Prasetyo, Haryo. "Market Manipulation on the Indonesian Stock Exchange by Market Maker: Investor Protection." *Journal of Indonesian Investment*, vol. 3, no. 1, 2023, pp. 45–59. Riviera Publishing. https://www.researchgate.net/publication/369103210_MARKET_MANIPULATION_ON_THE_INDONESIA_N_STOCK_EXCHANGE_BY_MARKET_MAKER_INVESTOR_PROTECTION.

833 (2d Cir. 1968)) established key principles under Section 10(b) of the Securities Exchange Act of 1934. 1968): The disclosure of material non-public information or the complete abstention from trading became mandatory under this decision, *Basic Inc. v. Levinson*, 485 U.S. 224 (1988): The court established how to define material information for securities fraud purposes as well as the SEC Enforcement Division publicly releases reports and litigation statements that focus on false statements made through Twitter and press releases by company executives and public officials.

Moreover, commentary, in regards to the First Amendment protection boundaries in securities regulation receives analysis through law review articles and press releases with interpretive statements about social media utilization by public figures and market participants by the SEC.⁸

Secondly, Indonesian legal sources with its primary legislation of Capital Markets Law No. 8 of 1995 via Article 90–91 define market manipulation by specifying the prohibited deceptive practices that seek to modify securities prices. Regulations and Guidelines: OJK Regulation No. IX.E.1 on Public Information Disclosure, OJK Regulation No. II.A.1 on Fair Trading Principles, The previous market regulations of BAPEPAM-LK which OJK now enforces include restrictions on false press releases and coordinated trading activities and how OJK releases Annual Supervisory Reports and Enforcement Bulletins which detail their enforcement work and regulatory difficulties. Commentary and Case Studies on the academic journals *Jurnal Hukum dan Pembangunan* and *Jurnal Legislasi Indonesia* analyze market manipulation practices and enforcement trends, the policy documents were produced by Lembaga Penjamin Simpanan (LPS) alongside Indonesia Capital Market Institute (TICMI) as well as the media tracks OJK's stock-pumping enforcement efforts and investigates how political statements impact market capital values.⁹

Thirdly, comparative legal literature and news with researchers that have studied the oversight and disclosure practices of both U.S. capital markets and Indonesian capital markets, the study tracked Donald Trump's China tariff tweets between 2018 and 2019 to assess their impact on stock prices and investor reactions to Apple, Boeing, and Ford and lastly, research in academic fields will investigate how political statements affect market activities in emerging markets with ambiguous enforcement like Indonesia.¹⁰

⁸ Fajar Sugianto, “The Nature of Hedging Risk in Derivative Contract : Modeling an Enforceable Risk-Shifting Contract in Indonesia,” *Journal of Law, Policy and Globalization* 72 (2018): 97–106.

⁹ Shintaro Tokuyama Fajar Sugianto, “False Transaction vs Wash Trading: Addressing the Gap to Rebuild Market Confidence (Legal Implication in Indonesia Nad United States Capital Market Law),” *Journal of Law and Legal Reform* 5, no. 1 (2024): 1–14.

¹⁰ Claresta Devina Sugianto, Fajar; Indradewi A, Astrid; Valencia, “BETWEEN VALUATION AND MONETIZATION OF EFFICIENCY IN ECONOMIC ANALYSIS OF LAW : IS IT POSSIBLE ?,” *Journal of International Trade, Logistics and Law* 10, no. 1 (2024): 286–294.

The research adopts a functional comparative legal method to study how various legal systems address similar practical matters. Capital market law faces the legal issue of determining whether political actors' public statements including tweets and press conferences can qualify as market manipulation. This method goes beyond textual provision comparison by conducting an assessment of the following. Firstly, the systems show both parallel and divergent operational characteristics when it comes to enforcement and adjudication. Secondly, legal systems must determine how to maintain free speech rights while protecting investors. Thirdly, the regulatory bodies SEC and OJK demonstrate institutional capabilities to enforce regulations and fourthly, sanctioning manipulation occurs through criminal, civil, and administrative legal tools.¹¹ The research compares regulatory systems to reveal Indonesian gaps while extracting U.S. regulatory practices that could enhance Indonesia's digital market manipulation response.

C. Discussion and Analysis

C.1 Donald Trump's Tariff Announcements and Market Reactions

Donald Trump's presidency introduced a substantial turn of events in global trade relations, especially by his potent weaponization of tariff policies that were aimed at correcting trade imbalances favoring the United States. Such announcements of duties- often made via press briefings or through social media-may have caused large turbulence in the financial markets, thus calling into question the regulatory implications thereof in the context of capital market law.

Trump's tariff strategy gained momentum as 2018 entered into its second month with a series of escalating measures aimed at America's main trading partners. The most major of these was in July 2018, when tariffs of 25% were imposed on \$34 billion worth of Chinese imports, followed by rounds of tariffs that would bring the total value of affected goods to over \$250 billion by the close of that calendar year (PBS). The rationale for these measures was framed in terms of national security and the protection of American intellectual property, although many analysts saw them as pretext for leverage in larger trade negotiations. The unpredictability of the announcements worked to compound their disruptive effects: in May 2019, Trump generated impulsive decision days when he tweeted about increasing tariffs from 10% to 25% for \$200 billion worth of goods from China. Major indices immediately went into sell-off mode (Yahoo). Trump also floated tariffs on Chinese films in 2024, in what CNN described as an "unusual cultural twist" in trade retaliation.

¹¹ Fajar Sugianto and Tomy Saragih, "Intercalating Law As a Tool To Promote Economic Efficiency in Indonesia," *Arena Hukum* 6, no. 2 (2013): 152-167.

The financial markets have reacted to the presidential proclamations of tariffs by unprecedented short-term fluctuations that have affected both sensitive sectors like technology, manufacturing, and agriculture, as well as others. For example, as soon as the first tranche of China tariffs was announced in July 2018, the Dow Jones Industrial Average dropped more than 200 points with investors worrying about escalating trade tensions (BBC, www.bbc.com/news/articles/cn93e12ryppo). Most of the best agricultural sector futures markets which are based mainly on exports to China began to decline and some grew highly uncertain because of the retaliatory Chinese tariffs on soybeans and pork. Among companies that have things pegged to the Chinese end is Apple and Intel in particular, and they saw sharp declines in stock prices. The sheer threat of potential trade restrictions brought forth such reaction at this time to highlight sensitivity in the markets both to tariffs that have already been enacted as well as to their potential dimensions. A BBC report continued to state that "markets often overreact to Trump's rhetorical posturing more than to actual policy implementation," implying that perception carries its weight in market dynamics.¹²

The nature of the communication employed by Donald Trump during his presidential campaign – pervasive, informal, often tweeted directly, thus focusing on the candid pauses – raises a number of questions in terms of political negotiation and marketing. Its tariff-related statements often had no procedural support to procedural procedure and following-up statements; therefore, some analysts could be skeptical if these fiery declarations were policy announcements, mere market and public sentiment manipulations. Thus, statements made by public officials that may impact the stock prices can be considered as borderline instances of market manipulation from the US capital markets regulation point of view especially if the speaker aimed or timed her statement in such a way. The SEC pays much heed on the presentation of relevant and non misleading information in so much as such information has potential of/ can have an influence on the decision-making the investor (Legal 500). Although Trump does not fall under the category of a market participant in the conventional political sense since he is a serving president, his ability to sway markets means that his words come under legal pressures when it can be inferred that he had an intention of manipulating the market.

Similarly, in accordance with Indonesian capital market law enshrined in Law No. 8 of 1995 and its implementing standard, anyone including corporate officers and public figures who release misleading information to the public for his/her benefit or for creation of negative sentiments regarding other companies would be governed if the information affects the market and triggers investors' loss or gain (OJK). However,

¹² BBC. "Donald Trump to Slap New Tariffs on Mexico Despite Trade Pact." *BBC News*, June 1, 2024. <https://www.bbc.com/news/articles/c8rgrejkvmjo>.

Indonesia has no antecedent or express laws as regards civil responsibility of senior political leaders on political speech capable of influencing the market. Such a gap is to some extent apparent for more fundamental reasons that relate to adjustments needed to the conventional predatory capital market model in the context of contemporary political communication. In total, Trump's tariffs can be understood to serve as both trade policies as well as flags that had significant power to mobilize markets. As threats to elicit shifts in counterpart behavior or as revelations of a strategic operating environment, they blur the line between policy and the market – a realm of growing concern for both the United States and Indonesia.

C.2 Comparative Study

A. United States

Market manipulation regulation in the United States depends heavily on the Securities Exchange Act of 1934 including Section 10(b) and SEC Rule 10b-5. Section 10(b) of the Securities Exchange Act of 1934 makes it illegal to use manipulative or deceptive devices or contrivances during security transactions. The regulatory provision established under Section 10(b) includes Rule 10b-5 which prohibits employing any device, scheme, or artifice to defraud making any untrue statement of a material fact or omitting a material fact necessary to make statements not misleading; or engaging in any act which operates as a fraud or deceit upon any person, in connection with the purchase or sale of any security."¹³ The legal basis extends its reach to cover corporate disclosures and public communications which trigger substantial changes in investor actions and market price movements.

The Securities and Exchange Commission (SEC) serves as the leading federal regulatory body that enforces securities laws through actions against market manipulation. The Securities and Exchange Commission has taken legal action against people and organizations that employed deceptive misleading or selective public statements to manipulate market prices.

In *SEC v. The Texas Gulf Sulphur Co.* (1968) court decision established that companies must disclose all material information that reasonably affects market prices in a truthful and non-selective manner.¹⁴ This decision emphasized both the importance of timing and public disclosure for determining market manipulation. In addition, the Supreme Court established the "fraud-on-the-market" theory through *Basic Inc. v. Levinson* (1988) which demonstrated how public misstatements create

¹³ U.S. Securities and Exchange Commission. *Rule 10b-5, Employment of Manipulative and Deceptive Devices*, 17 C.F.R. § 240.10b-5.

¹⁴ *SEC v. Texas Gulf Sulphur Co.*, 401 F.2d 833 (2d Cir. 1968).

artificial stock price increases that deceive investors without requiring direct investor participation.¹⁵

The SEC now actively tracks both social media content and executive Twitter activity in contemporary times. The SEC initiated securities fraud proceedings against Elon Musk in 2018 because of his tweets about taking Tesla private. Public-facing informal communications received SEC scrutiny because they affected market behavior according to the case.¹⁶ The legal debate continues about whether public officials should face liability under Rule 10b-5 for statements that move markets when they aim to benefit themselves personally. However, no court has issued such a direct ruling yet.¹⁷

B. Indonesia

The capital market manipulation regulations in Indonesia are established through Law No. 8 of 1995 on Capital Markets and its Articles 91 and 92 that state: “Any person from directly or indirectly taking any action which may create a false or misleading appearance of trading activity, market conditions, or securities prices.”¹⁸ Article 92 of the law, further criminalizes the dissemination of the spread of false information that could affect trading decisions or modify securities prices. The Indonesian provisions closely follow U.S. Rule 10b-5 but lack the depth of judicial decisions and enforcement examples that exist in the United States.¹⁹

The Otoritas Jasa Keuangan (OJK) took over capital market regulatory enforcement duties from BAPEPAM-LK when it was established through Law No. 21 of 2011. The OJK and legacy BAPEPAM-LK regulations established multiples and defined as well as limited manipulative behavior. Public companies must immediately report events affecting share prices according to OJK Regulation No. IX.A.1 on Disclosure of Material Information, as well as the market practices prohibited by BAPEPAM Rule X.V.1, include spreading false information and wash trading and matched order activities.²⁰

¹⁵ *Basic Inc. v. Levinson*, 485 U.S. 224 (1988).

¹⁶ Securities and Exchange Commission. “SEC Charges Elon Musk With Securities Fraud.” U.S. Securities and Exchange Commission. Last modified September 27, 2018. <https://www.sec.gov/news/press-release/2018-219>.

¹⁷ Coffee, John C., Jr. “Political Speech and Securities Fraud: Trump’s Tweets and Market Manipulation.” *Columbia Law Review Forum* 119 (2019): 45–55.

¹⁸ Indonesia. *Undang-Undang Nomor 8 Tahun 1995 tentang Pasar Modal* [Law No. 8 of 1995 on Capital Markets].

¹⁹ Fabian Jonathan, Fajar Sugianto, and Tomy Michael, “Comparative Legal Analysis on the Competence of the Indonesia’s Financial Services Authority and Monetary Authority of Singapore on the Enforcement of Insider Trading Laws,” *Journal of Central Banking Law and Institutions* 2, no. 2 (2023): 283–300.

²⁰ Indonesia Financial Services Authority (Otoritas Jasa Keuangan). Regulation No. IX.A.1 on Disclosure of Material Information. Jakarta: OJK.

OJK maintains different regulatory standards than the SEC because it does not currently enforce rules against market-influencing political statements from non-issuer entities. Government officials' public statements that impact listed companies currently lack appropriate regulatory oversight. The capital market laws of Indonesia include market manipulation provisions yet their practical enforcement remains restricted, to begin with, historically public officials have never faced investigation or received sanctions for using deceptive statements to manipulate stock prices.²¹ Moreover, OJK faces two major limitations that reduce its ability to detect and prosecute complex manipulation cases: insufficient investigatory independence and technical expertise compared to the SEC. Furthermore, the legal definitions of "false" or "misleading" statements remain broad and underdeveloped which leads to application uncertainties and regulatory agencies face political interference which prevents them from taking action against actors who hold political power.

Enforcement suffers from weaknesses in the lack of real-time surveillance capabilities and whistleblower protection systems Indonesia provides. The legal framework of Indonesia remains unadjusted to modern digital media realities which produce market effects through tweets and press statements.²²

C.3 Comparative Analysis and Legal Implication

Chiefs of the Trump administration have recently made pronounced announcements of tariffs much to the chagrin of the market whose vigor has shown just how poorly capital markets laws can handle politically instigated volatility. This section looks at the similarities and differences between the US and Indonesia on the nature and handling of capital market legal and regulatory changes which would be caused by politically instigated market interferences. The study ends with specific policy suggestions in the Indonesian context, referring to how Indonesia's legal framework could be developed to respond to worldwide norms and ensure investors' confidence. Some of the similarities and differences of the relevant laws between the two countries include the following:

Overall, both the United States and Indonesia appreciate the regulatory importance of ensuring market integrity through the use of disclosure requirements, prohibiting acts that manipulate the market, and institutional supervision. The laws and provisions governing the market in America comes under the US Securities and

²¹ Herlina Waluyo, Irene Putri A.S.Sinaga, and Fajar Sugianto, "Perlindungan Hukum Otoritas Jasa Keuangan Terhadap Penyelenggara Layanan Urun Dana Berbasis Efek Berdasarkan POJK Nomor 16/POJK.04/2021," *DiH: Jurnal Ilmu Hukum* 18, no. 2 (2022): 131–146.

²² Fajar Sugianto, Stevinell Mildova, and Felicia Christina Simeon, "Increasing Economic Performance Through the Rule of Law in Indonesia: Law and Economics Perspective," *Advances in Economics, Business and Management Research* 140, no. International Conference on Law, Economics and Health (ICLEH 2020) (2020): 92–99.

Exchange Commission which fights acts of market manipulations, insider trading and fraudulent misstatements; the issuers and public companies are mandated to reveal any information that may influence the decision of an investor (Legal 500). Which are accompanied by a well-developed enforcement system that relies on judicial decisions and specialized regulators.²³

Indonesian law framework corresponds to Law No. 8 of 1995 on Capital Markets where the prohibition extends to false statements and manipulation specific is seen in Article 90 and Article 91 that provides criminal and administrative liability for publishing information that is false that has influence or is likely to affect the stock price. Similar to the role of the SEC, the Financial Services Authority (OJK) and Indonesia Stock Exchange (IDX) are also involved in the supervisory and regulatory role. However, their differences are predominantly seen in the treatment and range of political discourse. Government officials in the U.S. may not be subject to the securities rules and regulations but their statements when they impact the market may attract regulatory or legal action in the event they turn out to be fraudulent or fraudulent in intent (Pillsbury, www.pillsburylaw.com). On the other hand, Indonesian law is not very clear on the legal position of high-profile politicians in relation to capital market legislation on statements that causes the market to gyrate. This results in the ambiguity of enforcement boundaries in politically sensitive areas. This difference becomes very big if analyzed in relation to recent developments. Another article showed that self-generated announcement is another serious source of manipulation which is observed more frequently and to an increasing extent using different unofficial channels such as social networks, organized by definite subjects or key players²⁴. These dynamics require an extension of the legal view of what constitutes manipulative behavior, including political messages.

Indonesian law to this effect remains inadequate in coping with present day politics, communication and market manipulation. The regulatory mechanisms are mostly put in place regarding requirements of disclosure and requirements of the parties involved in the issuance of securities such as the issuers, underwriters and brokers, not the political actors. Whereas in cases such as the Trump tariff announcements that triggered massive shifts in capital purely through words, Indonesian legislation does not provide many effective means of addressing it.

²³ Shintaro Tokuyama Fajar Sugianto, "Efficient Punishment for Insider Trader In Merger : Interjected Values of Economic Analysis of Law" 3, no. December 2023 (2024): 327–355.

²⁴ ResearchGate. Simanjuntak, Arif. "Market Manipulation on the Indonesian Stock Exchange: Investor Protection." *ResearchGate*, March 2023. https://www.researchgate.net/publication/369103210_MARKET_MANIPULATION_ON_THE_INDONESIA_N_STOCK_EXCHANGE_BY_MARKET_MAKER_INVESTOR_PROTECTION.

Furthermore, even though manipulation has emerged as one of the most significant issues of concern for the OJK in the subsequent years of the establishment of the IDX, enforcement has concentrated more on technical manipulation, including circular trading or fictitious order (The Jakarta Post). This limitation is rather worrisome as the interaction between the digital economy and the merging media increases the impact of political statements in real time on stock prices. For instance, a 2023 study on the Financial Omnibus Law in Indonesia flagged that due to advances in technology, manipulation should be defined in a wider manner to incorporate non-traditional practices; however, did not offer regulations for politically delicate disclosures.²⁵ Altogether, the Indonesian antitrust authority has pointed out that protectionist measures, including retaliatory tariffs, may harm Indonesia's domestic economy in the long run if they are not properly regulated.²⁶ The problem becomes even more significant when it comes to e-commerce or digital finance business models. Issues that Indonesian policy makers have made public statements such as the recent ban of direct e-commerce through social media which affects TikTok Shop shows how political signals can destabilize markets yet there is no legal remedy.²⁷ As the above examples indicate, although Indonesia has legislations to address traditional forms of view, it is still ill-equipped to handle rhetorical market influence that complicates the divide between governance and control.²⁸

D. Conclusion

A comparative analysis of Donald Trump's tariff statements reveals the impact of political communication on securities markets and reveals considerable legal and institutional disparities between Indonesia and the United States. The U.S. Securities Exchange Act of 1934 and SEC Rule 10b-5 permit regulators to take action against misleading statements that affect investment decisions even if they are issued by political figures. The constitutional guarantee for political speech is not applied to false or materially misleading statements of market manipulation that are produced by Twitter platforms.²⁹

²⁵ HBT Law. "Capital Markets and Securities Law Reform under Indonesia's 2023 Financial Omnibus." *HBT Law*, November 3, 2023. <https://www.hbtlaw.com/latest-thinking/capital-markets-and-securities-law-reform-under-indonesia%E2%80%99s-2023-financial-omnibus>.

²⁶ MLex. "Indonesia's Antitrust Agency Warns US Tariffs Risk Domestic Market Disruption." *MLex*, April 2, 2025. <https://www.mlex.com/mlex/antitrust/articles/2335981/indonesia-s-antitrust-agency-warns-us-tariffs-risk-domestic-market-disruption>.

²⁷ Dea Prasetyawati Wibowo Fajar Sugianto, Felicia Christina Simeon, "IDEALISASI SIFAT ALTERNATIF DALAM PENYELESAIAN SENGKETA MELALUI MEDIASI," *Jurnal Hukum Bisnis Bonum Commune* 3, no. 2 (2020): 253–265.

²⁸ Fajar Sugianto, "Efisiensi Ekonomi Sebagai Remedy Hukum," *Refleksi Hukum: Jurnal Ilmu Hukum* 8, no. 1 (2014): 61–72.

²⁹ Securities and Exchange Commission (SEC), "Rule 10b-5," in *Securities Exchange Act of 1934*, <https://www.sec.gov/rules/final.shtml>.

Indonesian legal and institutional structures have yet to develop to the extent of being capable of controlling these types of incidents well. Capital Market Act No. 8 of 1995 establishes broad definitions of manipulation but regulatory agencies and courts have not yet established clearly defined guidelines regarding how political and public communications affect market behaviors. The Otoritas Jasa Keuangan (OJK) needs to issue clear guidelines on digital communication surveillance and real-time monitoring capabilities since these capabilities are now essential in detecting new types of manipulation. Indonesia needs to implement several steps that will enhance its ability to respond to political distortions in the market.³⁰ The Indonesian courts and OJK need to build their approach to interpretation through the process of learning comparative legal systems. The U.S. SEC issued landmark decisions via *SEC v. The Texas Gulf Sulphur Co.* and *Basic Inc. v. Levinson* decisions are solid precedents to determine whether public releases contain material misstatements or manipulative data.³¹ These decisions highlight the significance of materiality as well as scienter (intent) and the trading obligations of individuals possessing non-public information.

Second, OJK must issue guidance on regulation specifying how public or political statements, especially via social media, are treated under capital market legislation. clearer definitions of manipulation would give political actors, corporations, and investors legal certainty.³² Third, the surveillance infrastructure of Indonesia's capital market needs modernized. Investment in monitoring technologies, including AI-aided market behavior analytics, could allow OJK to detect real-time abnormalities and trackback market volatility to the public statements of specific individuals, such as techniques used by the U.S. SEC.³³ Fourth, parliamentarians should amend Indonesia's capital market law to declare the digital-age manipulation rules, like public figures' destabilizing or deceptive rhetoric. Such a revamp would bring the law up to date and provide enforcement with a firmer basis. Fifth, OJK should be more independent and better funded to handle politically sensitive market events. More independent regulation would allow for objective enforcement without fear of political retaliation or institutional interference. Lastly, Indonesia would gain from active international cooperation with more sophisticated regulatory authorities. Bilateral agreements and membership in world securities associations could guarantee the sharing of experience, capacity building, and standard harmonization in the recognition and response to manipulative political messages, aiming to promote

³⁰ Shintaro Tokuyama Fajar Sugianto, "The Extended Nature of Trading Norms Between Cryptocurrency and Crypto-Asset: Evidence from Indonesia and Japan," *Lex Scientia Law Review* 8, no. 1 SE-Research Articles (September 22, 2024): 193–222, <https://doi.org/10.15294/lsr.v8i1.14063>.

³¹ *SEC v. Texas Gulf Sulphur Co.*, 401 F.2d 833 (2d Cir. 1968); *Basic Inc. v. Levinson*, 485 U.S. 224 (1988).

³² Otoritas Jasa Keuangan (OJK), *Annual Supervisory Report* (Jakarta: OJK, various years).

³³ Rachel E. Simmons, "The Role of Political Speech in Securities Regulation," *Columbia Law Review* 120, no. 4 (2020): 1105–1132.

Indonesia's law on market manipulation in the age of the Internet without sacrificing legal political expression protection, striking a balance between required democratic debate and investor protection.³⁴

REFERENCES

- Asia Pacific Foundation of Canada. "Indonesia's New E-Commerce Regulations Take Bite out of TikTok's Business Model." *Asia Pacific Foundation*, October 6, 2023. <https://www.asiapacific.ca/publication/indonesias-new-e-commerce-regulations-take-bite-out-tiktoks>.
- BBC. "Donald Trump to Slap New Tariffs on Mexico Despite Trade Pact." *BBC News*, June 1, 2024. <https://www.bbc.com/news/articles/c8rgrejkmjjo>.
- BBC. "US-China Trade War: Timeline of Key Events." *BBC News*, April 24, 2024. <https://www.bbc.com/news/articles/cn93e12rypgo>.
- Fabian Jonathan, Fajar Sugianto, and Tomy Michael. "Comparative Legal Analysis on the Competence of the Indonesia's Financial Services Authority and Monetary Authority of Singapore on the Enforcement of Insider Trading Laws." *Journal of Central Banking Law and Institutions* 2, no. 2 (2023): 283-300.
- Fajar Sugianto, Felicia Christina Simeon, Dea Prasetyawati Wibowo. "IDEALISASI SIFAT ALTERNATIF DALAM PENYELESAIAN SENGKETA MELALUI MEDIASI." *Jurnal Hukum Bisnis Bonum Commune* 3, no. 2 (2020): 253-265.
- Fajar Sugianto, Shintaro Tokuyama. "Efficient Punishment for Insider Trader In Merger : Interjected Values of Economic Analysis of Law" 3, no. December 2023 (2024): 327-355.
- Fajar Sugianto, Shintaro Tokuyama. "False Transaction vs Wash Trading: Addressing the Gap to Rebuild Market Confidence (Legal Implication in Indonesia Nad United States Capital Market Law)." *Journal of Law and Legal Reform* 5, no. 1 (2024): 1-14.
- Fajar Sugianto, Shintaro Tokuyama. "The Extended Nature of Trading Norms Between Cryptocurrency and Crypto-Asset: Evidence from Indonesia and Japan." *Lex Scientia Law Review* 8, no. 1 SE-Research Articles (September 22, 2024): 193-222. <https://doi.org/10.15294/lslr.v8i1.14063>.

³⁴ Astrid Athina Indradewi and Fajar Sugianto, "Peran Dan Manfaat Arbitrase Sebagai Alternatif Penyelesaian Sengketa Ditinjau Dari Perspektif Pelaku Usaha," *Jurnal Hukum dan Sosial Politik* 2, no. 2 SE-Articles (February 13, 2024): 85-95, <https://ifrelresearch.org/index.php/jhsp-widyakarya/article/view/2798>.

Fajar Sugianto, Yuber Lago, Laurenzia Luna. "STATE LAW, INTEGRAL ECONOMIC JUSTICE, AND BETTER REGULATORY PRACTICES: PROMOTING ECONOMIC EFFICIENCY IN INDONESIA." *Global Legal Review* 3, no. 2 (2023): 91-108.

Inradewi, Astrid Athina, and Fajar Sugianto. "Peran Dan Manfaat Arbitrase Sebagai Alternatif Penyelesaian Sengketa Ditinjau Dari Perspektif Pelaku Usaha." *Jurnal Hukum dan Sosial Politik* 2, no. 2 SE-Articles (February 13, 2024): 85-95. <https://ifrelresearch.org/index.php/jhsp-widyakarya/article/view/2798>.

Sugianto, Fajar. "Efisiensi Ekonomi Sebagai Remedy Hukum." *Refleksi Hukum: Jurnal Ilmu Hukum* 8, no. 1 (2014): 61-72.

Sugianto, Fajar. "The Nature of Hedging Risk in Derivative Contract: Modeling an Enforceable Risk-Shifting Contract in Indonesia." *Journal of Law, Policy and Globalization* 72 (2018): 97-106.

Sugianto, Fajar; Inradewi A, Astrid; Valencia, Claresta Devina. "BETWEEN VALUATION AND MONETIZATION OF EFFICIENCY IN ECONOMIC ANALYSIS OF LAW: IS IT POSSIBLE?" *Journal of International Trade, Logistics and Law* 10, no. 1 (2024): 286-294.

Sugianto, Fajar, Stevinell Mildova, and Felicia Christina Simeon. "Increasing Economic Performance Through the Rule of Law in Indonesia: Law and Economics Perspective." *Advances in Economics, Business and Management Research* 140, no. International Conference on Law, Economics and Health (ICLEH 2020) (2020): 92-99.

Sugianto, Fajar, and Tomy Saragih. "Intercalating Law As a Tool To Promote Economic Efficiency in Indonesia." *Arena Hukum* 6, no. 2 (2013): 152-167.

Waluyo, Herlina, Irene Putri A.S.Sinaga, and Fajar Sugianto. "Perlindungan Hukum Otoritas Jasa Keuangan Terhadap Penyelenggara Layanan Urun Dana Berbasis Efek Berdasarkan POJK Nomor 16/POJK.04/2021." *DiH: Jurnal Ilmu Hukum* 18, no. 2 (2022): 131-146.

Global Legal Insights. "Fintech Laws and Regulations - Indonesia." *Global Legal Insights*, 2024. <https://www.globallegalinsights.com/practice-areas/fintech-laws-and-regulations/indonesia/>.

HBT Law. "Capital Markets and Securities Law Reform under Indonesia's 2023 Financial Omnibus." *HBT Law*, November 3, 2023. <https://www.hbtlaw.com/latest-thinking/capital-markets-and-securities-law-reform-under-indonesia%E2%80%99s-2023-financial-omnibus>.

IDX (Indonesia Stock Exchange). "Capital Market Act." *IDX.co.id*.
<https://www.idx.co.id/en/regulation/capital-market-act>.

Jakarta Post. "Market Manipulation among Common Violations Found at IDX: OJK." *The Jakarta Post*, July 23, 2020.
<https://www.thejakartapost.com/news/2020/07/23/market-manipulation-among-common-violations-found-at-idx-ojk.html>.

Legal 500. "United States: Capital Markets." *Legal 500*, 2024.
<https://www.legal500.com/guides/chapter/united-states-capital-markets>.

MLex. "Indonesia's Antitrust Agency Warns US Tariffs Risk Domestic Market Disruption." *MLex*, April 2, 2025.
<https://www.mlex.com/mlex/antitrust/articles/2335981/indonesia-s-antitrust-agency-warns-us-tariffs-risk-domestic-market-disruption>.

OJK (Otoritas Jasa Keuangan). "Law No. 8 of 1995 on Capital Market." *OJK.go.id*, 1995.
<https://ojk.go.id/en/kanal/pasar-modal/regulasi/undang-undang/Pages/law-no-8-of-1995-on-capital-market.aspx>.

PBS. "A Timeline of Trump's Tariff Actions So Far." *PBS NewsHour*, February 28, 2019.
<https://www.pbs.org/newshour/economy/a-timeline-of-trumps-tariff-actions-so-far>.

Pillsbury Law. "U.S. Capital Markets Regulations & Practices for U.S. Companies 2023." *PillsburyLaw.com*, August 2023. <https://www.pillsburylaw.com/en/news-and-insights/us-capital-markets-regulations-practices-us-companies-2023.html>.

ResearchGate. Simanjuntak, Arif. "Market Manipulation on the Indonesian Stock Exchange: Investor Protection." *ResearchGate*, March 2023.
https://www.researchgate.net/publication/369103210_MARKET_MANIPULATION_ON_THE_INDONESIAN_STOCK_EXCHANGE_BY_MARKET_MAKER_INVESTOR_PROTECTION.

Riviera Publishing. "Political Signaling and Market Reactions: A Case Study of Trade Policy Announcements." *Journal of International Investment*, 2024.
<https://jii.rivierapublishing.id/index.php/jii/article/view/5643/800>.

Tandfonline. Haryanto, Rizal. "Media, Markets, and Power: The Influence of Government Officials' Rhetoric on Financial Systems." *Cogent Economics & Finance*, 2025.
<https://www.tandfonline.com/doi/full/10.1080/10999922.2025.2455757?src=exp-la>.

Yahoo Finance. "Trump Tariffs Live Updates: US-China Trade Talks to Start This Week." *Yahoo Finance*, May 2025. <https://finance.yahoo.com/news/live/trump->

[tariffs-live-updates-us-china-trade-talks-to-start-this-week-with-bessent-leading-us-delegation-191201578.html](https://ojs.uph.edu/index.php/Anthology/tariffs-live-updates-us-china-trade-talks-to-start-this-week-with-bessent-leading-us-delegation-191201578.html).