

ABSTRACT

Power of Attorney in Transfer of Securities Title

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The central theme of this dissertation is about the essence of power of attorney for securities transaction in the Stock Exchange. In the Stock Exchange, those who want to buy securities may not deal directly with dealers; rather, they should deal with broker-dealer. The broker-dealer should be Securities Company registered with the Stock Exchange. The oncoming buyer should fill out a form of opening checking account, in which he or she authorizes the broker-dealer to purchase securities. Under Indonesian Law, power of attorney is prescribed in Article 1792 of Civil Code, which provides that power of attorney is an agreement by a person authorizes another to act on behalf of the authorizer. Pursuant to the provision, an attorney is not a party to a transaction. The party to a transaction is a principal, which is the authorizer. This is not the case in securities transaction in the Stock Exchange. The broker-dealer in the transaction acts as a principal to deal with dealers. This raises a legal problem of the characteristic of power of attorney in the transaction.

This research is a legal research. In this research, statute approach is utilized.

From this research it is found that broker-dealer is not an attorney prescribed in Article 1792 of Civil Code. The Securities Company that acts as broker-dealer seems to be a commissioner rather than attorney. Consequently, provisions concerning power of attorney prescribed in Civil Code are inapplicable to securities transaction in the Stock Exchange.

Key Word : Power of attorney, broker-dealer, securities transaction