

ABSTRACT

This research aims to analyze legal protection for Investors regarding illiquidity risk in equity crowdfunding. To find out the Investors' legal protection, an analysis will be made of the legal relationship between parties in equity crowdfunding and what Investors could do to face the illiquidity risk. The research methods include the statute approach and conceptual approach. Based on these methods, an analysis of the legal relationship between Issuer and Operator is obtained as a legal relationship in agency agreement in which Issuer gives Operator the authority to make shares offering on behalf of Issuer. The legal relationship between Investor and Operator is that Operator will be an intermediary in the purchase of shares carried out by Investor. While the legal relationship between Issuer and Investors is like the legal relationship between seller and purchaser that Investors have to send funds to Issuer and Issuer have to issue shares for Investors. And what Investors could do to solve the illiquidity risk in equity crowdfunding is by selling their shares on Secondary Market that provided by Operator.

Keywords: Legal Protection, Equity Crowdfunding, Illiquidity Risk