

ABSTRACT

This study has purpose to analyze the sovereign wealth funds (SWFs) and the context of the thesis is to identify financial, management and legal issues of Indonesia Sovereign Wealth Fund where it was still in form of Indonesia's Investment Agency (PIP) as the operator of government investment, to analyze the structure of BLU whether or not it's suitable for Indonesia's Investment Agency to perform its function in doing investment according to the law and International principles, and practices of government investment, also analyzing the reformation of Indonesia Investment Agency (PIP) and PT SMI into Indonesian Infrastructure Financing Agency.

This research used secondary data which consist of primary legal material and secondary legal material. Secondary data collected from library research and document study such as act, text books, and article. This research used normative research which identified legal norms and views. The method which was used in this research was juridical normative approach.

The result of study showed there were many SWF established by countries with various purposes, and proven effectively helping states to achieved their long terms goals. But unfortunately there is many obstacles faced by Indonesia Sovereign Wealth Fund.

To make a better format of Sovereign Wealth Fund, Government together with House of Representatives (DPR) should reformulate the structure, discretion, and liability towards the new Agency which is Indonesian Infrastructure Financing Agency (Lembaga Pembiayaan Pembangunan Indonesia/ LPPi), and it is better for them to consider the restricted immunity, Santiago principles and best practices, also the commercial law and Constitution, in order to avoid the fallacy.

Key words: SWF, Investment, Indonesian Infrastructure Financing Agency.