

ABSTRACT

The phenomenon of high investor demand (oversubscription) on issuers with sharia labels or not has been found in various countries, one of which is Indonesia. Sharia issuers in Indonesia have increased every year, this indicates the company's interest in issuing shares in accordance with sharia principles is getting higher. Sharia issuers or not, in going public, there is generally a difference in information between companies and public investors because previously the company was included in a private company. This study aims to examine the effect of shariah compliant status, institutional ownership, and company size on investor demand as measured by the oversubscription ratio in initial public offerings in the Indonesian capital market.

The research method used in this study is a quantitative method with secondary data. The population in this study were all companies that made initial public offerings on the Indonesia Stock Exchange (IDX). The sample selection used purposive sampling method, with samples obtained were 51 companies that conducted initial public offerings on the Indonesia Stock Exchange from July 2020 to August 2021. The analytical tool in this study was the IBM SPSS version 28 using classical assumption detection in the form of normality detection, heteroscedasticity detection, autocorrelation detection, and multicollinearity detection. This study also used multiple regression analysis and hypothesis testing using t test, F test and coefficient test.

The results of this study show that shariah compliant status does not affect IPO oversubscription, while institutional ownership has a positive and significant effect on IPO oversubscription and company size negatively and significantly affects IPO oversubscription in the Indonesian capital market.

Keywords : Initial Public Offering, Shariah Compliant Status, Institutional Ownership, Company Size, Oversubscription Ratio