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PPJB Power of Attorney to Sell: Validity, Land Rights Registration, and Normative Gaps Under Indonesian Law

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ABSTRACT

The Sale and Purchase Binding Agreement (PPJB) has become a prevalent instrument in Indonesian land transactions; however, the legal standing of the power of attorney to sell embedded within it remains contested in practice. The specific point of contestation concerns the boundary between a prohibited absolute power of attorney under the Instruction of the Minister of Home Affairs Number 14 of 1982, which bans its use as a covert mechanism for transferring land rights, and a lawful irrevocable power of attorney that is accessory to a fully paid PPJB. A further unresolved problem concerns the legal mechanism by which final and binding court decisions may serve as the basis for land rights registration at the National Land Agency (BPN), particularly where the PPJB and power of attorney mechanism has failed due to the seller's non-cooperation. This study employs normative legal research through statutory and conceptual approaches, drawing on primary, secondary, and tertiary legal materials. The study establishes five cumulative conditions for the legal validity of the power of attorney to sell within a fully paid PPJB, grounded in Articles 1320, 1792, and 1796 of the Civil Code and the applicable agrarian regulations. It further concludes that the BPN's obligation to implement a final court decision ordering land rights registration is ministerial rather than discretionary, and that any refusal constitutes an ultra vires act subject to challenge before the State Administrative Court. The study also identifies the court-appointed power of attorney as a significant normative gap in Indonesian positive law and proposes concrete legislative and regulatory interventions to strengthen legal certainty in Indonesian land transactions.

Keywords: *Land Rights Registration; Legal Certainty; Indonesian Agrarian Law; Power of Attorney to Sell; Sale and Purchase Binding Agreement*

INTRODUCTION

Land represents a resource of singular legal and socioeconomic significance in Indonesia, functioning simultaneously as the material basis for productive activity, the primary object of wealth accumulation for the majority of the population, and a constitutionally governed national asset.¹ Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia mandates that the earth, water, and natural resources contained therein shall be controlled by the state and directed toward the greatest welfare of the people. This constitutional mandate is operationalized through Law Number 5 of 1960 on Basic Agrarian Regulations (hereinafter UUPA), which designates customary law (hukum adat) as the foundational source of national land law and establishes that land rights registration constitutes the mechanism through which legal certainty over land ownership is formally secured.² The formal transfer of land rights through sale and purchase, as prescribed under Article 37 paragraph (1) of Government Regulation Number 24 of 1997 on Land Registration, must be executed before an authorized Land Deed Official (Pejabat Pembuat Akta Tanah, hereinafter PPAT) and evidenced by a Sale and Purchase Deed (Akta Jual Beli, hereinafter AJB).³

In practice, however, immediate execution of the AJB before a PPAT is frequently impeded by administrative, financial, or personal circumstances. Incomplete certificate subdivision, certificates pledged as loan collateral, ongoing inheritance disputes, or the physical unavailability of one party are among the most common reasons why a formal AJB cannot be executed at the moment full payment is made.⁴⁵ To bridge this gap, parties routinely resort to a Sale and Purchase Binding Agreement (Perjanjian Pengikatan Jual Beli, hereinafter PPJB), a preliminary instrument that binds both parties to their respective obligations without itself

¹ Ni Ketut Suartining and Benny Djaja, "Land Rights in the Land Law System in Indonesia According to the Basic Agrarian Law Number 5 of 1960," *Journal of Social Research* 2, no. 6 (May 12, 2023): 1775–85, <https://doi.org/10.55324/josr.v2i6.903>.

² Try Widiyono and Md Zubair Kasem Khan, "Legal Certainty in Land Rights Acquisition in Indonesia's National Land Law," *LAW REFORM* 19, no. 1 (August 9, 2023): 128–47, <https://doi.org/10.14710/lr.v19i1.48393>.

³ Siti Rahmah, Husni Jalil, and M.Yakub Aiyub Kadir, "Legal Dilemma for Land Deed Officials in Transferring Land Title Within Agrarian Reform in Indonesia: A Study in Aceh Province," *Samarah: Jurnal Hukum Keluarga Dan Hukum Islam* 8, no. 1 (April 27, 2024): 556, <https://doi.org/10.22373/sjhk.v8i1.16898>.

⁴ Kristin Dahliani and Elwidarifa Marwenny, "Legal Review of Binding Sale and Purchase Agreements (PPJB) in Transactions of Transfer of Land and/or Building Rights," *Journal of Law and Regulation Governance* 2, no. 6 (July 12, 2024): 198–206, <https://doi.org/10.57185/jlarg.v2i6.55>.

⁵ Putu Arya Bagus Utama, I Nyoman Sumardika, and Ni Gusti Ketut Sri Astiti, "Perjanjian Pengikatan Jual Beli Hak Atas Tanah Sebagai Dasar Pembuatan Akta Jual Beli Dihadapan PPAT," *Jurnal Preferensi Hukum* 2, no. 1 (March 19, 2021): 177–81, <https://doi.org/10.22225/jph.2.1.3064.177-181>.

transferring title.⁶ Where full payment has already been rendered, the PPJB is commonly accompanied by a Power of Attorney to Sell (Kuasa untuk Menjual), which authorizes the buyer to act on behalf of the seller in completing the formal transfer once all preconditions are met.⁷ This combined instrument has become one of the most prevalent mechanisms in Indonesian land transactions, particularly in urban property markets where the gap between payment and formal title transfer can extend over several years.

Despite this prevalence, the power of attorney to sell embedded within the PPJB framework remains one of the most contested instruments in Indonesian land law. The legal tension originates from the Instruction of the Minister of Home Affairs Number 14 of 1982 (Instruksi Mendagri No. 14/1982), which prohibits the use of absolute powers of attorney as a mechanism for disguising the transfer of land rights, a prohibition reinforced by Government Regulation Number 24 of 1997. In practice, however, parties, notaries, and courts have struggled to draw a consistent line between a prohibited absolute power of attorney, that is, one which effectively substitutes for the AJB and serves as a covert rights-transfer instrument, and a lawful irrevocable power of attorney that is *accessoir* to a fully paid PPJB and operates only to facilitate completion of an already substantively concluded transaction.⁸ Judicial decisions at both the district and Supreme Court levels have addressed this distinction on a case-by-case basis, yet no consolidated normative framework has been established to guide its uniform application across all regional land offices (Kantor Pertanahan) in Indonesia.⁹

This doctrinal ambiguity is compounded by the increasingly common practice of multilevel or tiered PPJB chains (PPJB bertingkat), in which a buyer who has received a power of attorney to sell subsequently concludes a fresh PPJB and issues a further power of attorney to a third party before the original AJB has been executed. Not all regional land offices are willing to process title transfers based on multilevel PPJB transactions, leaving final buyers exposed to legal uncertainty despite having fulfilled all payment obligations.¹⁰ The absence of a specific regulatory instrument addressing multilevel PPJB transactions means that outcomes

⁶ Dewa Ayu Sinddhisar Smaratungga, R. Ismala Dewi, and Enny Koeswarni, "Implementation of The Binding Agreement for The Sale and Purchase of Land Rights Based on a Notarial Deed in East Jakarta," *LEGAL BRIEF* 11, no. 3 (2021).

⁷ Bella Breyaning Danaparamita and Maudy Fadhilah, "Validity of Selling Power in the Binding of Land Sale and Purchase Agreement," *Hang Tuah Law Journal*, September 20, 2021, 38–51, <https://doi.org/10.30649/htlj.v5i1.26>.

⁸ Achmad Murtadho and Elsa Assaris, "Judge's Considerations in Land Sale and Purchase Agreements Through Absolute Power of Attorney (Case Study of Denpasar District Court Decision Number 679/Pdt.G/2021/PN Dps)," *LEGAL BRIEF* 13, no. 1 (2024).

⁹ Laetitia Sekar Faradiba, H. Umar, and Akbar Kurnia Putra, "Konstruksi Kuasa Dalam Praktik Jual Beli Tanah," *Wajah Hukum* 9, no. 1 (April 19, 2025): 50, <https://doi.org/10.33087/wjh.v9i1.1671>.

¹⁰ Relly Yuliyanti and Fitria Dewi Navisa, "Transfer of Rights to Land And Buildings with A Binding Sale And Purchase Agreement Reviewed From SEMA No 4 of 2016," *Journal of Law, Politic and Humanities* 5, no. 2 (January 4, 2025): 1210–15, <https://doi.org/10.38035/jlph.v5i2.1149>.

depend largely on the administrative discretion of individual Kantor Pertanahan, producing inconsistencies that undermine the principle of legal certainty that Indonesian land registration law is designed to uphold.

A further and equally unresolved dimension concerns the mechanism by which final and binding court judgments (*putusan yang berkekuatan hukum tetap*) may serve as a legal basis for the registration of land rights transfers at the National Land Agency (*Badan Pertanahan Nasional*, hereinafter BPN). While Article 20 paragraph (2) of the UUPA recognizes that ownership rights may be transferred, it does not prescribe that such transfer must occur exclusively through a PPAT. Research published in *YURIS: Journal of Court and Justice* has highlighted that court decisions have been employed as the basis for land rights registration at the BPN, yet the absence of a specific technical regulation governing this procedure has generated divergent practices among regional BPN offices, with some accepting and others refusing to process such registrations.¹¹ This administrative inconsistency directly prejudices parties whose rights have been judicially confirmed but not yet administratively registered.

Prior scholarship has examined aspects of this problem from several perspectives, though without achieving the integrated analysis the problem demands. Danaparamita and Fadhilah established that the power of attorney to sell within a fully paid PPJB is legally valid and does not constitute a prohibited absolute power of attorney, provided its character remains *accessoir* rather than substitutive of the AJB.¹² Halimi examined the liability of notaries for third-party losses arising from defective PPJB deeds, identifying gaps in notarial due diligence as a contributing factor to title disputes, but without addressing the downstream administrative consequences at the BPN.¹³ Murtadho and Assaris analyzed judicial reasoning in a case involving absolute power of attorney within a PPJB and confirmed that courts evaluate the substance of the transaction rather than its formal label, yet their study was limited to a single case and did not produce generalizable doctrinal criteria.¹⁴ Ratu and Santika aslo addressed land ownership rights under Article 21 paragraph (3) of the UUPA and highlighted the tension between formal registration requirements and substantive ownership claims, which is directly

¹¹ Ida Ayu Mas Ratu and Ida Bagus Agung Putra Santika, "IMPLEMENTATION OF THE GRANTING OF LAND OWNERSHIP RIGHTS BY THE STATE FOR FOREIGN CITIZENS UNDER ARTICLE 21 PARAGRAPH 3 OF THE BASIC AGRARIAN LAW," *Journal of Court and Justice* 3, no. 2 (June 14, 2024): 76–85, <https://doi.org/10.56943/jcj.v3i2.546>.

¹² Danaparamita and Fadhilah, "Validity of Selling Power in the Binding of Land Sale and Purchase Agreement."

¹³ Halimi Halimi, "NOTARY RESPONSIBILITY FOR THIRD PARTY LOSSES DUE TO THE ISSUANCE OF THE DEED OF BINDING OF LAND PURCHASE AGREEMENT," *Trunojoyo Law Review* 5, no. 2 (August 29, 2023): 101–28, <https://doi.org/10.21107/tlr.v5i2.21163>.

¹⁴ Murtadho and Assaris, "Judge's Considerations in Land Sale and Purchase Agreements Through Absolute Power of Attorney (Case Study of Denpasar District Court Decision Number 679/Pdt.G/2021/PN Dps)."

relevant to the present inquiry.¹⁵ Collectively, these studies confirm the importance of the PPJB and power of attorney mechanism in Indonesian land transactions, but none has offered a unified doctrinal framework simultaneously addressing the validity conditions for the power of attorney to sell, the legal treatment of multilevel PPJB chains, and the procedure for court-based title registration at the BPN.

This article addresses that collective gap. Its novelty lies in two contributions. First, it constructs a precise and operationally applicable doctrinal distinction between the prohibited absolute power of attorney and the lawful accessoir power of attorney to sell within the PPJB, anchored in a systematic reading of the KUHPperdata, Instruksi Mendagri No. 14/1982, Government Regulation Number 24 of 1997, and relevant Supreme Court jurisprudence. Second, it analyzes the legal mechanism and constitutional basis by which a final and binding court judgment may substitute for the AJB as the instrument triggering land rights registration at the BPN, arguing that the BPN's refusal to implement such judgments constitutes a breach of the principle of *res judicata* and the constitutional supremacy of judicial decisions. The article further identifies the court-appointed power of attorney, which has been observed in practice but lacks any basis in positive law, as a significant normative gap warranting legislative intervention.

The study pursues two research objectives. First, it analyzes the conditions under which a power of attorney to sell embedded within or accompanying a PPJB is legally valid under Indonesian land and contract law. Second, it examines the legal consequences of final court decisions for the registration of land rights transfers at the BPN and the obligations of BPN officials in giving effect to such decisions. The article proceeds as follows. Section 2 sets out the research methodology. Section 3 presents the results and discussion across four analytical subsections. Section 4 states the conclusions and proposes legislative and regulatory reforms. It is argued that resolving these questions requires not only doctrinal clarification of existing provisions but also targeted regulatory intervention to standardize notarial clauses governing the power of attorney to sell, establish a specific technical procedure for court-based land registration, and eliminate the administrative discretion that currently generates inconsistent outcomes across Indonesia's regional land offices.

RESEARCH METHODOLOGY

This study employs normative legal research (*penelitian hukum normatif*) as its methodological framework, conducted through a library research method (*studi kepustakaan*) involving the systematic identification, retrieval, and analysis of legal materials from authoritative legal databases, Scopus-indexed journals, official

¹⁵ Ratu and Santika, "IMPLEMENTATION OF THE GRANTING OF LAND OWNERSHIP RIGHTS BY THE STATE FOR FOREIGN CITIZENS UNDER ARTICLE 21 PARAGRAPH 3 OF THE BASIC AGRARIAN LAW."

government repositories, and recognized legal scholarship.¹⁶¹⁷ Normative legal research is a form of scientific inquiry that examines law as a system of written norms, doctrines, and principles inscribed in authoritative legal texts, rather than studying law as a social phenomenon observed in the behavior of individuals or institutions.¹⁸ As articulated by Peter Mahmud Marzuki, normative legal research is inherently prescriptive in character: it does not merely describe what the law currently provides, but evaluates what the law ought to provide in light of applicable legal principles, identified normative gaps, and the objectives of justice and legal certainty.¹⁹ This prescriptive orientation is well suited to the present inquiry, which does not seek to measure empirical compliance with existing land transaction regulations, but rather to assess the legal validity of the power of attorney to sell within the PPJB framework and to construct a normatively grounded analysis of the legal consequences of court decisions for land rights registration at the BPN.

The legal materials employed in this study are organized into three hierarchical categories consistent with the Indonesian normative legal research tradition.²⁰ Primary legal materials consist of binding statutory instruments that directly govern the subject matter of the research, including the 1945 Constitution of the Republic of Indonesia, Law Number 5 of 1960 on Basic Agrarian Regulations (UUPA), the Civil Code (KUHPPerdata) particularly Books III and IV, Government Regulation Number 24 of 1997 on Land Registration, Government Regulation Number 34 of 2016 on Income Tax on the Transfer of Land and Building Rights, Instruksi Mendagri No. 14/1982 on the Prohibition of Absolute Powers of Attorney as a Transfer of Land Rights, and relevant Supreme Court jurisprudence concerning the validity of the power of attorney to sell and land rights registration based on judicial decisions. Secondary legal materials consist of peer-reviewed journal articles, legal textbooks, scholarly commentaries, and prior research findings pertaining to agrarian law, notarial law, and the law of contracts in Indonesia. Tertiary legal materials include legal dictionaries, legal encyclopedias, and other reference works that assist in clarifying the meaning of legal terms and concepts employed in the analysis.²¹

Two methodological approaches are applied in this research. The first is the statutory approach (*pendekatan perundang-undangan*), which involves a systematic examination of the hierarchy, content, and interrelationship of the statutory

¹⁶ Peter Mahmud Marzuki, *Penelitian Hukum*, Revision Edition (KENCANA, 2021).

¹⁷ Dr. Suyanto Suyanto, *Metode Penelitian Hukum Pengantar Penelitian Normatif, Empiris Dan Gabungan* (Gresik: Unigress Press, 2022).

¹⁸ Tunggul Ansari and Setia Negara, "Normative Legal Research in Indonesia: Its Originis and Approaches," *Audito Comparative Law Journal (ACLJ)* 4, no. 1 (February 2, 2023): 1–9, <https://doi.org/10.22219/ACLJ.V4I1.24855>.

¹⁹ Marzuki, *Penelitian Hukum*.

²⁰ Muhaimin, *Metode Penelitian Hukum*, 2026.

²¹ Achmad Irwan Hamzani et al., "Legal Research Method: Theoretical and Implementative Review," *International Journal of Membrane Science and Technology* 10, no. 2 (August 24, 2023): 3610–19, <https://doi.org/10.15379/ijmst.v10i2.3191>.

instruments identified among the primary legal materials. The statutory approach is selected because the central questions of this research concern the interpretation and application of specific legislative provisions, namely the scope of the prohibition under Instruksi Mendagri No. 14/1982, the conditions for validity of the power of attorney to sell under Articles 1792 and 1796 of the KUHPperdata, and the basis for land rights registration under Article 37 of Government Regulation Number 24 of 1997. The principles of *lex superior derogat legi inferiori*, *lex specialis derogat legi generali*, and *lex posterior derogat legi priori* are applied where normative conflicts between provisions are identified.²² The second approach is the conceptual approach (*pendekatan konseptual*), which examines legal doctrines, theoretical frameworks, and scholarly constructions that have not yet been explicitly codified in statutory form. The conceptual approach is necessary because the distinction between an absolute power of attorney and a lawful *accessoir* power of attorney to sell, as well as the doctrine of the binding force of court judgments on administrative land registration, are not fully elaborated in any single statutory provision and must therefore be constructed from doctrinal and jurisprudential sources.²³

The analytical technique applied is qualitative and descriptive-prescriptive: the study first describes the existing normative framework governing the power of attorney to sell within the PPJB and land rights registration based on court decisions, and then evaluates whether that framework adequately secures the principles of legal certainty and legal protection for the parties involved. Where normative gaps are identified, the study proceeds to construct prescriptive arguments grounded in applicable legal doctrines and statutory hierarchy, with the aim of proposing legal solutions that are both analytically coherent and practically implementable within the Indonesian land registration system.²⁴

RESULT AND DISCUSSION

The Legal Standing of the PPJB and the Conditions for a Valid Power of Attorney to Sell

The PPJB is an innominate contract (*perjanjian tidak bernama*) that is not expressly regulated under any specific provision of the KUHPperdata, but whose validity is governed by the general law of obligations in Book III, particularly the four conditions for a valid agreement under Article 1320: consent between the parties, legal capacity, a specific and definite object, and a lawful cause (*causa*) that

²² Tunggal Ansari Setia Negara, "Normative Legal Research in Indonesia: Its Originis and Approaches," *Audito Comparative Law Journal (ACLJ)* 4, no. 1 (February 2, 2023): 1–9, <https://doi.org/10.22219/aclj.v4i1.24855>.

²³ Rahmah, Jalil, and Kadir, "Legal Dilemma for Land Deed Officials in Transferring Land Title Within Agrarian Reform in Indonesia: A Study in Aceh Province."

²⁴ Negara, "Normative Legal Research in Indonesia: Its Originis and Approaches."

does not violate law, public order, or morality.²⁵ Prior scholarship has consistently confirmed this foundational position. Dahliani and Marwenny established that the PPJB functions as a preliminary agreement whose legal efficacy is limited and cannot replace the AJB as the formal instrument for transferring title.²⁶ Trasaenda and Winanti confirmed through case analysis of Surabaya District Court Decision Number 862/Pdt.G/2021/PN Sby that the PPJB carries binding evidentiary force between the parties but does not itself constitute proof of a completed transfer of ownership.²⁷ The present study agrees with these findings but advances the analysis further by locating the statutory basis for the PPJB's inability to transfer title squarely in Article 37 paragraph (1) of Government Regulation Number 24 of 1997, which provides that the transfer of land rights may only be registered when evidenced by a deed executed before an authorized PPAT. Because a PPJB by definition does not satisfy this requirement, the transfer of title remains legally incomplete regardless of whether payment has been made in full.

The PPJB exists in two forms that carry different legal consequences. A PPJB where payment has not yet been made in full (PPJB Belum Lunas) contains only the mutual commitments of the parties and is not accompanied by any power of attorney to sell. A PPJB where full payment has been completed (PPJB Lunas) is routinely accompanied by a Power of Attorney to Sell because the buyer has satisfied all financial obligations yet the AJB cannot be executed immediately due to outstanding administrative conditions. This distinction is legally significant because it determines the scope and character of the power of attorney that may validly accompany the PPJB.

The power of attorney (*pemberian kuasa*) is defined under Article 1792 of the KUHPerdara as an agreement by which the lastgever grants authority to the lasthebber to perform a legal act on behalf of and in the name of the grantor through the act of lastgeving.²⁸ This terminological precision is essential because the confusion of these terms in legal practice has contributed to the drafting of defective deeds and inconsistent judicial outcomes. For the purpose of alienating property, Article 1796 of the KUHPerdara requires that the power of attorney be expressed in specific and explicit terms, given that alienation constitutes an act of ownership (*daad van beschikking*) rather than ordinary administration. The central legal tension arises from Instruksi Mendagri No. 14/1982, which prohibits any power of

²⁵ Agus Purwo Saputro and Miftakhul Huda, "KEABSAHAN AKTA PERJANJIAN PENGIKATAN JUAL BELI, SURAT KUASA MENJUAL DAN/ATAU MELEPAS HAK ATAS OBJEK YANG MENJADI AGUNAN DI BANK," *Ar-Risalah Media Keislaman Pendidikan Dan Hukum Islam* 22, no. 1 (April 1, 2024): 051, <https://doi.org/10.69552/ar-risalah.v22i1.2339>.

²⁶ Dahliani and Marwenny, "Legal Review of Binding Sale and Purchase Agreements (PPJB) in Transactions of Transfer of Land and/or Building Rights."

²⁷ Resfa Klarita Trasaenda and Atik Winanti, "Legal Force Of The Preliminary Sales Agreement (PPJB) As Evidence For The Seller Againts The Buyer Who Is In Breach Of Contract (Case Study: Decision Of The Surabaya District Court No.862/Pdt.G/2021/Pn Sby.," *Journal of Law, Politic and Humanities* 6, no. 1 (November 13, 2025): 726–35, <https://doi.org/10.38035/jlph.v6i1.2626>.

²⁸ Republik Indonesia, "Kitab Undang-Undang Hukum Perdata (Burgerlijk Wetboek)" (n.d.).

attorney that: (a) cannot be revoked by the grantor under any circumstances; (b) grants the holder authority to act as though the holder is the owner of the land; and (c) is issued independently of any underlying fully paid PPJB and designed to substitute for the AJB rather than to facilitate its eventual execution.²⁹

The present study builds on prior findings by Danaparamita and Fadhilah, as well as Murtadho and Assaris, and advances a more precise doctrinal criterion for the distinction.³⁰ A power of attorney to sell is lawful when it is *accessoir* to a fully paid PPJB, meaning that it derives its legal justification from the buyer's completed performance and operates solely to enable the AJB to be executed once remaining administrative conditions are satisfied.³¹ Because it is not an independent legal act but a derivative instrument, this *accessoir* power does not terminate upon the death of the grantor under Article 1813 of the KUHPerdara, which governs ordinary revocable powers. This is because the buyer's right to receive the formal transfer of title is a vested contractual right arising from the fully paid PPJB, which survives the grantor's death and binds the seller's heirs under Article 833 of the KUHPerdara to continue the obligations of the deceased.³² This analysis directly addresses a practical problem documented in prior research, which found that upon the death of the grantor, the Kantor Pertanahan's electronic verification systems frequently block the processing of a transfer based on a power of attorney to sell, even where the underlying PPJB is valid and fully paid.³³ Such administrative blockages constitute a violation of the buyer's vested contractual rights and are legally unsustainable in light of the *accessoir* doctrine.

In direct answer to the first research question, a power of attorney to sell within or accompanying a PPJB is legally valid when the following five conditions are cumulatively satisfied. First, the underlying PPJB must fulfill all four validity conditions of Article 1320 of the KUHPerdara. Second, the PPJB must be fully paid (PPJB Lunas). Third, the power of attorney must be expressed in specific and explicit terms consistent with Article 1796 of the KUHPerdara. Fourth, the power must be *accessoir* to the PPJB and must not purport to substitute for the AJB. Fifth, the power must not serve to disguise a transfer of rights in violation of Instruksi Mendagri No. 14/1982. Where all five conditions are satisfied, the power of attorney to sell is irrevocable without the buyer's consent, survives the death of the grantor by virtue of the *accessoir* doctrine, and binds the grantor's heirs.

²⁹ Faradiba, Umar, and Putra, "Konstruksi Kuasa Dalam Praktik Jual Beli Tanah."

³⁰ Murtadho and Assaris, "Judge's Considerations in Land Sale and Purchase Agreements Through Absolute Power of Attorney (Case Study of Denpasar District Court Decision Number 679/Pdt.G/2021/PN Dps)."

³¹ Danaparamita and Fadhilah, "Validity of Selling Power in the Binding of Land Sale and Purchase Agreement."

³² Halimi, "NOTARY RESPONSIBILITY FOR THIRD PARTY LOSSES DUE TO THE ISSUANCE OF THE DEED OF BINDING OF LAND PURCHASE AGREEMENT."

³³ Deni Efendi, "KEKUATAN HUKUM AKTA KUASA SUBSTITUSI TERHADAP KEPEMILIKAN HAK ATAS TANAH BERDASARKAN AKTA PERJANJIAN JUAL BELI" (Universitas Andalas, 2025).

The Accessoir Power of Attorney, Multilevel PPJB Transactions, and the Role of the PPAT

A practical dimension of the first research question concerns multilevel PPJB transactions (PPJB bertingkat), in which a buyer holding a power of attorney to sell subsequently concludes a fresh PPJB with a third party and issues a further power of attorney to sell before the original AJB has been executed. Yuliyanti and Navisa have documented that Supreme Court Circular Letter Number 4 of 2016 (SEMA No. 4/2016) provides that land transfers conducted using a PPJB are legally considered to have occurred where the buyer has paid the full price and taken possession of the land in good faith, even without a prior AJB before the PPAT.³⁴ This recognition creates an interpretive challenge in multilevel transactions regarding the point at which the substantive transfer occurs for the purposes of tax liability and administrative registration. The present study advances the following position: each PPJB in a multilevel chain must independently satisfy the four validity conditions of Article 1320 of the KUHPdata, and each accompanying power of attorney must satisfy the five conditions identified in subsection 3.1. The administrative acceptance of a multilevel PPJB chain is conditioned on full payment of all applicable income tax (PPh) under Government Regulation Number 34 of 2016 and land and building acquisition fees (BPHTB) for each stage, not merely for the final transfer. Where these conditions are met, the Kantor Pertanahan has no legal basis to refuse registration of the transfer in favour of the final buyer in the chain, and any such refusal constitutes an unlawful administrative act prejudicing the final buyer's right to legal certainty.

The PPAT occupies a central position in the formal transfer of land rights. Under Article 37 paragraph (1) of Government Regulation Number 24 of 1997, the transfer of land rights through sale and purchase may only be registered on the basis of an AJB executed before an authorized PPAT. Rahmah, Jalil, and Kadir have documented the significant legal dilemmas faced by PPAT officials in practice, particularly where formal title documentation is inconsistent with on-the-ground reality.³⁵ This study argues that the PPAT's gatekeeping function operates on two levels that prior scholarship has not fully distinguished. At the first level, the PPAT verifies the formal validity of the instruments presented, including the identity of the parties, the authenticity of the certificate, the existence and validity of any power of attorney to sell, and the payment of applicable taxes. At the second level, the PPAT exercises a substantive evaluation of whether a power of attorney presented for executing an AJB falls within the prohibition of Instruksi Mendagri No. 14/1982. Where the power of attorney satisfies all five conditions identified in subsection 3.1, the PPAT has no discretion to refuse execution. Conversely, where

³⁴ Yuliyanti and Navisa, "Transfer of Rights to Land And Buildings with A Binding Sale And Purchase Agreement Reviewed From SEMA No 4 of 2016."

³⁵ Rahmah, Jalil, and Kadir, "Legal Dilemma for Land Deed Officials in Transferring Land Title Within Agrarian Reform in Indonesia: A Study in Aceh Province."

the power constitutes a prohibited absolute power, the PPAT must refuse under Article 39 paragraph (1) sub d of Government Regulation Number 24 of 1997. The PPAT's dual verification function thus constitutes the primary institutional safeguard for both the parties to the transaction and the integrity of the national land registration system.

Court Decisions as the Legal Basis for Land Rights Registration at the BPN

The second research question asks what legal consequences flow from a final and binding court decision ordering the transfer of land rights, and what obligations BPN officials bear in giving effect to such decisions. Where the PPJB and power of attorney mechanism fails, whether because the seller refuses to appear before the PPAT, the grantor has died without cooperating heirs, or an administrative blockage persists at the *Kantor Pertanahan*, the buyer's remaining avenue is litigation. Prior research has confirmed that a buyer in good faith who has fully paid under a PPJB but cannot obtain the seller's cooperation may file a lawsuit for breach of contract (*wanprestasi*) and seek a court order requiring the formal transfer of rights.³⁶ That scholarship, however, did not analyze the specific mechanism by which such a court order translates into a registrable title at the BPN, nor what the BPN's obligations are once such an order is issued. The present study provides that analysis.

The constitutional foundation for court-ordered land rights registration lies in Article 24 of the 1945 Constitution, which vests judicial power in an independent judiciary whose decisions are final and binding on all persons and institutions, including executive branch bodies such as the BPN. The principle of *res judicata pro veritate habetur*, which requires that a final judgment be treated as representing the truth and be given full legal effect, is recognized in Indonesian civil procedure law and has been affirmed in recent scholarship.³⁷ The administrative mechanism for registration based on a court decision is recognized in Regulation of the Minister of ATR/Head of BPN Number 21 of 2020, which provides that court decisions constitute a valid legal basis for the registration of a transfer of rights at the BPN. This study advances beyond prior scholarship by identifying the precise legal consequences that flow from a BPN official's refusal to implement a final and binding court decision. Recent research has established that the BPN's issuance of an administrative decree that directly contradicts a final Supreme Court decision constitutes an *ultra vires* act that violates the principle of legality and constitutes an abuse of authority.³⁸ Building on this finding, this study argues that a BPN official

³⁶ Moch. Agus Siswanto, "Legal Protection for Buyers Who Have Good Faith in Full Payment of Land Rights Without Power of Attorney to Sell from the Perspective of Justice," *TABELLIUS: Journal of Law* 2, no. 3 (2024).

³⁷ Fathorrahman Fathor and Aan Eko Widiarto, "Rethinking 'Res Judicata Pro Veritate Habetur' in Indonesian Judiciary," *Indonesian Journal of Law and Economics Review* 19, no. 1 (December 25, 2023), <https://doi.org/10.21070/ijler.v19i1.995>.

³⁸ Lavisya Nadiya Blezinzky, Amelia Sri Kusuma Dewi, and Supriyadi Supriyadi, "Legal Analysis of the Relationship between BPN Decree Number 3/Pbt.36/III/2023 and Supreme Court Decision

who refuses to register a land rights transfer confirmed by a final court decision commits an unlawful administrative act subject to challenge through: an administrative objection (*keberatan administratif*) addressed to the relevant Kantor Pertanahan or its supervising BPN regional office; a lawsuit before the State Administrative Court (*Pengadilan Tata Usaha Negara*, hereinafter PTUN) pursuant to Law Number 5 of 1986 on State Administrative Courts, as amended; and a report to the Indonesian Ombudsman for maladministration.³⁹

As confirmed by research in *Jurnal Syntax Transformation* (2024), the ATR/BPN's authority in handling land disputes under Regulation Number 21 of 2020 does not confer a discretion to refuse compliance with court decisions; rather, the ministerial regulation provides a structured procedure for implementing such decisions through the administrative land registration system. Ratu and Santika have highlighted the tension between formal registration requirements and the substantive ownership claims of parties whose rights have been judicially confirmed but not yet administratively recognized.⁴⁰ The present study resolves that tension by establishing that the formal registration system must yield to the substantive determination made by a final court judgment, and that the BPN's role in this context is not discretionary but ministerial. In direct answer to the second research question, the legal consequences of a final and binding court decision ordering the transfer of land rights are as follows: the BPN is legally obligated to register the transfer on the basis of the court decision; refusal constitutes an *ultra vires* act subject to administrative and judicial challenge; and the aggrieved party retains full standing to compel compliance through the PTUN.

The Court-Appointed Power of Attorney as a Normative Gap

A further dimension that connects both research questions is the phenomenon of the court-appointed power of attorney, in which a court in its judgment appoints one party to act with the authority of a power of attorney on behalf of another party who refuses to cooperate in completing the formal transfer. This phenomenon has been observed in Indonesian judicial practice but lacks any basis in positive law. Neither Articles 1792 to 1819 of the KUHPerdata on *lastgeving*, nor any provision of the UUPA, nor Government Regulation Number 24 of 1997, authorizes a court to appoint a power of attorney on behalf of an unwilling party.⁴¹ Prior scholarship

Number 250 PK/Pdt/2004 Jo. 82/Pdt.G/1997/PN.TNG in the Cancellation of Transfer of Land Rights," *IBLAM LAW REVIEW* 5, no. 2 (May 16, 2025): 1–12, <https://doi.org/10.52249/ilr.v5i2.602>.

³⁹ Ni Wayan Ari Susanti, Nurianto RS, and Siti Nurmawan Damanik, "The Authority of the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency in the Legal Protection of Land Rights Holders Whose Transfer of Rights Is Revoked," *Jurnal Syntax Transformation* 5, no. 7 (July 29, 2024): 977–87, <https://doi.org/10.46799/jst.v5i7.985>.

⁴⁰ Ratu and Santika, "IMPLEMENTATION OF THE GRANTING OF LAND OWNERSHIP RIGHTS BY THE STATE FOR FOREIGN CITIZENS UNDER ARTICLE 21 PARAGRAPH 3 OF THE BASIC AGRARIAN LAW."

⁴¹ Danaparamita and Fadhilah, "Validity of Selling Power in the Binding of Land Sale and Purchase Agreement."

has not addressed this phenomenon. The present study identifies it as a significant normative gap for two reasons. First, it generates acute legal uncertainty for PPAT officials who receive such a court-appointed power: they have no statutory basis on which to evaluate its legality and face professional liability risk if they act on it and the deed is later challenged. Second, it reflects a broader inadequacy in the legislative framework governing situations where the seller's non-cooperation after a fully paid PPJB frustrates the buyer's right to formal title. The court's apparent intention in appointing such a power is to provide the buyer with a practical mechanism for completing the transfer without requiring the seller's further participation. This intention, however, is not legally achievable through the power of attorney mechanism because the statutory basis for such a power does not exist in positive law.

CONCLUSION

This study set out to resolve two questions that Indonesian land law scholarship and practice have left insufficiently addressed. On the first research question, this study concludes that a power of attorney to sell accompanying a PPJB is legally valid under Indonesian land and contract law when five cumulative conditions are satisfied: the underlying PPJB fulfills the validity requirements of Article 1320 of the KUHPerdara; the PPJB has been fully paid; the power of attorney is expressed in specific and explicit terms consistent with Article 1796 of the KUHPerdara; the power is *accessoir* in character, meaning that it derives its legal justification from the buyer's completed performance and operates solely to facilitate the eventual execution of the AJB rather than to substitute for it; and the power does not disguise a transfer of rights in violation of *Instruksi Mendagri No. 14/1982*. A power of attorney satisfying all five conditions is irrevocable without the buyer's consent, survives the death of the grantor by virtue of the *accessoir* doctrine, and binds the grantor's heirs under Article 833 of the KUHPerdara. Conversely, a power of attorney that operates as an independent instrument of rights transfer, without any underlying fully paid PPJB, constitutes a prohibited absolute power of attorney regardless of the formal label attached to it. On the second research question, this study concludes that a final and binding court judgment ordering the transfer of land rights constitutes a valid and sufficient legal basis for registration at the BPN under Regulation of the Minister of ATR/Head of BPN Number 21 of 2020, and that the BPN's obligation to implement such a judgment is ministerial rather than discretionary. Any refusal by a BPN official to register a transfer confirmed by a final court decision constitutes an *ultra vires* act subject to challenge before the PTUN and reportable to the Indonesian Ombudsman as maladministration.

This study advances existing scholarship in three respects. First, it provides a precise and practically applicable doctrinal criterion for distinguishing the

prohibited absolute power of attorney from the lawful *accessoir* power of attorney to sell, a distinction that prior studies by Danaparamita and Fadhilah, Murtadho and Assaris, and Faradiba, Umar, and Putra have approached but none has fully resolved in a form directly applicable to notarial drafting practice and PPAT verification. Second, it establishes the legal consequences of the BPN's non-compliance with final court decisions through a coherent chain of authority running from Article 24 of the 1945 Constitution through the principle of *res judicata pro veritate habetur* to the specific administrative challenge mechanisms available under Law Number 5 of 1986 on State Administrative Courts, a chain that has not been previously constructed in a single integrated analysis. Third, it identifies the court-appointed power of attorney as a significant normative gap in positive law, one that generates legal uncertainty for PPAT officials and buyers alike and that has not been addressed in any prior scholarship or regulatory instrument.

The resolution of the normative gaps identified in this study requires intervention at both the regulatory and legislative levels. First, the Ministry of ATR/BPN should issue a specific technical circular clarifying that BPN regional offices are legally obligated to process land rights registration on the basis of final and binding court decisions, that refusal constitutes an *ultra vires* act, and that the procedures in Regulation Number 21 of 2020 apply directly and without further administrative discretion. Second, the Indonesian legislature should enact a specific provision enabling courts, in final judgments on land sale and purchase disputes, to issue a declaratory order that constitutes a direct and self-executing legal basis for BPN registration without requiring the intermediary of a power of attorney or further appearance before a PPAT. Third, the Indonesian Notary Association should develop standardized notarial clauses for the power of attorney to sell within PPJB deeds that explicitly state the *accessoir* character of the power, its irrevocability grounded in the buyer's completed performance, and its binding effect on the grantor's heirs, thereby eliminating the drafting ambiguity that has generated recurring disputes. Future research should examine the implementation of these proposals through empirical case studies across multiple regional BPN offices, with the aim of identifying the administrative and institutional barriers that currently prevent consistent application of the legal framework established in this study.

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