



ARMA Update 20 January 2023

(English Version)

Agrarian Update: Guidelines on the Granting of Land Rights in Indonesia

General Overview

The Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency (“**Minister**”) issued the Decree Number 1339/SK-HK.02/X/2022 regarding the Granting of Land Rights in General (“**Decree 1339/2022**”) to implement the provisions of Article 2 paragraph (4) of the Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency Number 18 of 2021 regarding Procedures for Determining Management Rights and Land Rights (“**Reg 18/2021**”) in order to provide details of new procedures for granting land rights.

Decree 1339/2022 repealed and replaced seven Minister decrees relating to the provision of lands or rights over land on the date of its promulgation and has been effective since 3 October 2022.

Right of Ownership (*Hak Milik*)

The Decree 1339/2022 regulates the procedure for granting rights of ownership, namely (1) right of ownership to residential houses, shop houses, and office houses originating from right to build or right to use; and (2) right of ownership to residential houses that have been purchased by civil servants from the government originating from right to build or right to use.

Type of Buildings	Qualifications	Requirements
Residential Houses	a. Right to build or right to use's holder; b. Individual Indonesian citizen; and c. An area up to 600m ² .	a. Right to build or right to use that is still valid or has expired; b. On behalf of the right holder, whether alive or dead; and/or c. Released by the holder of the right to manage (<i>hak pengelolaan</i>) with a letter of approval/recommendation granting the right to ownership.
Shop Houses or Office Houses	a. Right to build or right to use holder; b. Individual Indonesian citizen; and c. An area up to 120m ² (not part of an apartment building).	a. Land and building with permits for both residential and commercial purposes in the form of shops or offices; b. The right to build or the right to use is still valid or has expired; and/or



Type of Buildings	Qualifications	Requirements
		c. On behalf of the right holder, whether alive or deceased.
Residential Houses by Civil Servants	a. Right to build or right to use holder that has been purchased by civil servants from the government.	a. Right to build or use that is still valid or has expired; and/or b. On behalf of the right holder, whether alive or deceased.

Right to Build (*Hak Guna Bangunan*) and Right to Use (*Hak Pakai*)

The Decree 1339/2022 regulates the procedure for granting rights of right to build or right to use which originates from several rights, namely right of ownership, right to use, right to build, and right to cultivate (*hak guna usaba*).

Origin Rights	Qualifications	Requirements
Right of Ownership	a. Right of ownership's holder; b. Individual Indonesian citizen; and c. The right to ownership shall be removed and returned to become right to build or right to use for a maximum period of 30 (thirty) years.	-
Right to Use	a. Right to use's holder on state land or right to manage (<i>hak pengelolaan</i>) land; b. Individual Indonesian citizens or Indonesian legal entities; and c. The right to use shall be removed and returned to become right to build .	a. The given right to build period is the remaining right to use period; and/or b. Obtain a letter of approval/recommendation from the holder of the right to manage for the right to use above the right to manage.
Right to Build	a. Right to build's holder on state land or right to manage land; b. Individual Indonesian citizens or Indonesian legal entities; and c. The right to build shall be removed and returned to become right to use .	a. The given right to use period is the remaining right to use period; and/or b. Obtain a letter of approval/recommendation from the holder of the right to manage for the right to build above the right to manage.



Origin Rights	Qualifications	Requirements
Right to Cultivate	a. Right to cultivate that the land shall be used to construct buildings to support business activities at the right holder's request; and b. The right to cultivate shall be removed and returned to become right to build or right to use.	a. The change in right to cultivate is due to the fact that the land will be used for supporting facilities for right to cultivate businesses; b. Right to cultivate still applies; c. The area of land to be converted into right to build or right to use is up to 25 (twenty-five) hectares; and d. The period of time for the right to build or right use for a maximum period of 30 (thirty) years.

For the land rights that are (i) still valid or (ii) have expired, but the holder of the right has deceased; the certificate from the granting of land rights as mentioned above, shall be registered in the name of the land rights holder's heir. It is important to mention that the heir is responsible for fulfilling various inheritance requirements and tax obligations as outlined in the applicable laws and regulations.

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