

Insight

General Overview of The Land Title in Indonesia

Stevanus Sangapta Sebayang, S.H.



ADP Counsellors at Law

Plaza Simatupang 6th Floor Kav. IS No. 01, Jl. T.B. Simatupang, RT.2/RW.17, Pd. Pinang, Kec. Kby. Lama, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12310 | info@adplaws.com

Introduction

Land plays a vital role in Indonesia, not only as a fundamental resource for livelihood and development but also as a symbol of social and cultural identity. As the fourth most populous country with vast geographical diversity, Indonesia faces complex challenges in regulating land ownership and usage. To ensure legal certainty, fairness, and sustainable land use, the government has developed a structured land title system under Law Number 5 of 1960 on Basic Agrarian Law (“Law 5/1960”) and its implementing regulation.

This article presents a general overview of the land title system in Indonesia, including the classification of land rights, the parties authorized to hold such rights, and the duration of each land title. By understanding the framework of land titles, both individuals and institutions can better navigate their rights and obligations under Indonesian land law.

Regulatory Overview

To fully understand the structure and application of land rights in Indonesia, it is essential to examine the regulatory foundation that governs them. The classification of land titles, the parties eligible to hold them, and their respective durations are all regulated under Law 5/1960 and its implementing regulations. The following table outlines the main types of land rights recognized under Indonesian law.

No.	Type of Land Title	Definition	Eligible Title Holders	Duration
1.	Right of Ownership (Hak Milik)	A hereditary, strongest and fullest right that an individual can hold over land, subject to its social function	a. Indonesian citizens only (natural persons) b. Certain Indonesian legal entities expressly designated by the Government (e.g., cooperatives, religious or social bodies)	Perpetual, as long as the ownership is not terminated
2.	Right to Cultivate (Hak Guna Usaha)	A right granted by the state to individuals or legal entities to use a plot of land for agricultural, plantation, livestock, or fishery purposes within a specific period	a. Indonesian citizens b. Indonesian-incorporated legal entities, including foreign-investment companies (“PT PMA”)	Initial grant \leq 35 yrs, extendable \leq 25 yrs, renewable \leq 35 yrs (total 95 yrs)

ADP Counsellors at Law

Plaza Simatupang 6th Floor Kav. IS No. 01, Jl. T.B. Simatupang, RT.2/RW.17, Pd. Pinang, Kec. Kby. Lama, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12310 | info@adplaws.com

3.	Right to Build (Hak Guna Bangunan)	A right granted to individuals or legal entities to construct and own buildings on land they do not own, either state land or land owned by another party	a. Indonesian citizens b. Indonesian legal entities (including PTPMA)	Initial grant ≤ 30 yrs, extendable ≤ 20 yrs, renewable ≤ 30 yrs (total 80 yrs)
4.	Right to Use (Hak Pakai)	A right to use and/or collect benefits from a piece of land, either state land or land owned by another party, for residential, governmental, social, or certain business purposes, according to the terms of the grant	a. Indonesian citizens b. Indonesian-incorporated legal entities, including foreign-investment companies ("PT PMA")	Initial grant ≤ 35 yrs, extendable ≤ 25 yrs, renewable ≤ 35 yrs (total 95 yrs)
5.	Right to Manage (Hak Pengelolaan)	A right of control derived from the State's ultimate authority, delegating to the holder powers to plan, allocate, use, and manage state or customary (<i>ulayat</i>) land	a. Central and regional government agencies b. State- or region-owned enterprises c. Indigenous communities for ulayat land	No fixed statutory term It remains valid while the management mandate subsists It can be revoked, relinquished, or converted by the State

While understanding the classification of land rights is fundamental, it is equally important to recognize how these rights are formally established and protected under Indonesian law. The effectiveness of each land title depends not only on its legal characteristics but also on its proper registration.

ADP Counsellors at Law

Plaza Simatupang 6th Floor Kav. IS No. 01, Jl. T.B. Simatupang, RT.2/RW.17, Pd. Pinang, Kec. Kby. Lama, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12310 | info@adplaws.com

In Indonesia, land registration is administered by the National Land Agency (Badan Pertanahan Nasional/BPN) through its regional offices (Kantor Pertanahan Kabupaten/Kota). Furthermore, along with the development of digital infrastructure, much of the registration process can now be accessed through the electronic land services portal known as “Sentuh Tanahku”.

Conclusion

Understanding the land title system in Indonesia is essential for ensuring compliance with Indonesian land law. Law 5/1960 and its implementing regulations classify land rights into several types, each with distinct legal characteristics, eligible holders, and time limits. By recognizing these classifications, individuals, businesses, and government entities can better navigate the legal landscape of land acquisition, utilization, and transfer.

This article is intended for general informational purposes only and does not constitute legal advice. For legal assistance or inquiries specific to your situation, please contact us at info@adplaws.com.

ADP Counsellors at Law

Office

Plaza Simatupang 6th Floor Kav. IS No. 01, Jl. T.B. Simatupang, RT.2/RW.17, Pd. Pinang, Kec. Kby. Lama, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta 12310

Email

info@adplaws.com

Tel.

+6221 2270 2291



**THE BEST LEGAL SERVICE
TO NAVIGATE YOUR BUSINESS**

