



(MUDIMA)



The Legal Implications for Auction Buyers in Voluntary Auctions Based on a Sale and Purchase Binding Agreement That Has Not Yet Been Converted into a Deed of Sale

Dyandra Alvionietta^{1*}, Shinta Hadiyantina², Rino Arief Rachman³

Brawijaya University

Corresponding Author: Dyandra Alvionietta alvioniettadyandra@gmail.com

ARTICLE INFO

Keywords: Voluntary Auction, Auction Buyer, Sale and Purchase Binding Agreement, Legal Certainty, Land Rights

Received : 3 September

Revised : 22 October

Accepted : 23 November

©2025 Alvionietta, Hadiyantina, Rachman: This is an open-access article distributed under the terms of the

[Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

Public demand for land ownership continues to increase, including through voluntary auction mechanisms. In legal practice, it is often found that land auctions are carried out based on a Sale and Purchase Binding Agreement (PPJB) that has not yet been converted into a Deed of Sale, creating complex legal issues for auction buyers. This uncertainty frequently arises due to the absence of formal requirements, such as lawful land rights and registered ownership at the land office. This condition potentially opens opportunities for future legal disputes. Under Article 1320 of the Indonesian Civil Code, a PPJB is a legally valid agreement under civil law; however, it does not transfer land rights and therefore cannot serve as a lawful basis for voluntary auctions. Furthermore, Article 37 paragraph (1) of Government Regulation No. 24/1997 stipulates that the transfer of land rights must be proven by a deed executed before a Land Deed Official (PPAT), while Article 1 paragraph (11) of Minister of Finance Regulation No. 122/2023 requires that auction implementation be supported by formal legality of both subject and object of the auction. A PPJB only creates an obligatory legal relationship and does not establish full ownership. The core issue lies in the normative inconsistency between the status of PPJB as a preliminary agreement and the legal requirements for voluntary auctions, which demand valid rights from the seller, resulting in legal uncertainty for auction buyers. This research adopts a normative juridical method with statutory and conceptual approaches. Legal materials include primary, secondary, and tertiary sources from PDIH Faculty of Law Universitas Brawijaya, central library, Malang city library, and online databases. The analysis is conducted descriptively, interpretatively, systematically, and evaluatively

INTRODUCTION

As a state governed by law, Indonesia must anticipate and effectively mitigate social conditions that have the potential to create instability by positioning law as an instrument of social control (Wignjosoebroto, 2013). In Roscoe Pound's perspective, law functions as law as a tool of social engineering, serving to maintain stability and create balance within society. One of the essential characteristics of a state based on law is the supremacy of law, which according to Wicipto Setiadi, aims to create national stability that in turn forms the foundation for an optimal democratic process (Setiadi, 2012) In the context of economic transactions and the acquisition of rights over property, legal certainty becomes a fundamental principle for the protection of the parties involved. This reflects the mandate of Article 28D paragraph (1) of the 1945 Constitution, which guarantees recognition, protection, and fair legal certainty for every person. Such legal certainty is crucial in auction mechanisms, particularly voluntary auctions, which involve good-faith buyers seeking ownership through transparent procedures.

An auction is a public sale mechanism involving written and/or oral price bidding to reach the highest price, as regulated under Article 1(1) of Minister of Finance Regulation No. 122/2023 (PMK 122/2023). A voluntary auction is conducted at the initiative of the owner or the authorized party to obtain an optimal price through a competitive and transparent process. In land sale practices, parties often execute a Sale and Purchase Binding Agreement (Perjanjian Pengikatan Jual Beli, PPJB) prior to executing the Deed of Sale before a Land Deed Official (PPAT). As a preliminary agreement (voorovereenkomst), PPJB is obligatory in nature and does not transfer land rights (Ramadhani, 2022). Although valid under Article 1320 of the Civil Code, PPJB does not constitute a lawful transfer of rights.

The legal complexity arises when an object bound by PPJB is submitted to voluntary auction prior to its conversion into a Deed of Sale, despite the requirement of formal legality of both subject and object as stipulated in Article 1(11) PMK 122/2023. Meanwhile, Article 37(1) of Government Regulation No. 24/1997 affirms that transfer of land rights shall be proven through a PPAT deed. The fundamental issue is whether a PPJB—still at the obligatory stage—can serve as a lawful legal basis for voluntary

auction. This normative inconsistency raises significant legal uncertainty, particularly for good-faith auction buyers.

Auction buyers participating through state-authorized auction processes (via KPKNL) become vulnerable when the auctioned object remains bound under an imperfect PPJB. The risks include: (1) absence of full ownership rights; (2) potential conflict with the original contractual party; (3) uncertainty regarding the legal strength of the auction minutes (risalah lelang); (4) material loss, including sunk costs and opportunity costs; and (5) absence of adequate legal protection mechanisms. The author views this issue as a fundamental contradiction between civil law principles recognizing PPJB as a binding agreement (*pacta sunt servanda*) and auction regulations requiring lawful, formally proven rights. This tension forms the core problem of this research, which aims to examine the doctrinal inconsistency and its legal implications for auction buyers.

This study contributes to the enrichment of legal discourse by highlighting a structural gap between civil law contractual doctrine and administrative land law requirements in auction implementation. It also presents a novel conceptual examination of legal certainty for good-faith auction buyers in voluntary auctions involving land still under PPJB status.

METHODS

This research employs a normative juridical method, which relies primarily on literature study and analysis of positive legal norms. Two main research approaches are utilized: the statute approach and the conceptual approach. The statute approach is applied to examine relevant statutory regulations governing the legal issues under study, while the conceptual approach is used to explore legal doctrines and theoretical perspectives to strengthen juridical arguments.

The legal materials collected consist of:

- i) Primary legal materials, namely statutory regulations serving as the main legal basis;
- ii) Secondary legal materials, including legal literature, journals, scholarly articles, and opinions from legal scholars;

- iii) Tertiary legal materials, such as legal dictionaries and encyclopedias.

Data collection is conducted through library research, which involves reviewing legal sources relevant to the legal implications faced by auction buyers in voluntary auctions based on a Sale and Purchase Binding Agreement that has not yet been converted into a Deed of Sale. The literature search was carried out through multiple sources including:

The Documentation and Legal Information Center (PDIH), Faculty of Law, Universitas Brawijaya Universitas Brawijaya Central Library Malang Public Library Online legal databases and digital literature sources.

The research adopts qualitative legal analysis, carried out through four analytical stages:

1. Legal description, to outline relevant legal provisions and factual conditions;
2. Legal interpretation, particularly through a systematic approach, positioning legal norms within the broader legal system;
3. Legal systematization, to logically categorize and structure legal norms;
4. Legal evaluation, to assess the validity, adequacy, and applicability of the norms in addressing the legal issues raised.

Through this methodology, the study is expected to provide both theoretical and practical contributions in understanding the legal position and protection of auction buyers

in voluntary auction mechanisms involving objects still bound under preliminary Sale and Purchase Binding Agreements.

RESULTS AND DISCUSSION

The Sale and Purchase Binding Agreement (Perjanjian Pengikatan Jual Beli / PPJB) is a preliminary agreement of an obligatory nature, which gives rise only to personal rights and obligations between the parties without transferring ownership rights over land. Pursuant to Article 1320 of the Indonesian Civil Code, a PPJB that fulfills the legal requirements of a valid agreement binds only the parties who execute it, but does not create a real right (*zakelijk recht*) over the land object.

Within the national agrarian legal system, the transfer of land rights adheres to the principles of publicity and simultaneity (*asas terang dan tunai*), as reflected in Article 19 of the Basic Agrarian Law in conjunction with Article 37 paragraph (1) of Government Regulation No. 24 of 1997, which stipulates that the transfer of land rights may only be registered if evidenced by a deed executed by a Land Deed Official (PPAT). Accordingly, a PPJB does not fulfill the formal requirements as valid proof of transfer of rights, because it has not yet been embodied in a Deed of Sale (*Akta Jual Beli*) executed before a PPAT.

The substantive differences between a PPJB and a Deed of Sale may be summarized as follows:

Table 1. The Substantive Differences

Differentiating Aspects	PPJB	Sale and Purchase Deed
Legal Nature	Obligatory (creating rights and obligations)	Real (transferring real rights)
Main Function	A preliminary agreement binding the parties to execute the sale and purchase	A deed of transfer that conveys ownership.
Executing Officer of the Deed	May be executed privately or before a notary.	Must be executed by a Land Deed Official (PPAT).
Legal Consequences on Ownership Rights	Does not transfer ownership rights over the land.	Transfers ownership rights after registration.

Registration Function	Cannot be registered as a basis for the transfer of rights.	Serves as the basis for the registration of the transfer of rights at the Land Office.
Position within the Land Law System	An ordinary civil agreement.	An authentic deed recognized by the land registration system.

The juridical implication of this distinction is that the holder of a PPJB does not possess legal standing as the lawful owner (*rechthebbende*) of the land object, but only holds a claim right (*vorderingsrecht*) to demand the performance of the sale, namely the execution of a Deed of Sale by the seller. The formal legal ownership of the land remains with the seller whose name is recorded in the land title certificate. This condition creates a dualism of ownership, in which formal juridical ownership remains attached to the seller, while economic ownership—or an incomplete real right—rests with the PPJB buyer. Such dualism becomes a source of legal issues when land still bound under a PPJB is subsequently made the object of a voluntary auction.

A voluntary auction is a form of public sale of goods conducted through written or oral bidding, preceded by an announcement of auction. Unlike execution auctions, which are carried out based on an executorial title or a court order, voluntary auctions are conducted at the initiative of the owner of the goods or a party legally entitled to dispose of them. The implementation of voluntary auctions is regulated under Minister of Finance Regulation No. 122/PMK.06/2023 concerning Auction Implementation Guidelines, which replaces the previous regulation. Article 1 paragraph (11) of PMK No. 122/PMK.06/2023 requires that both the subject and the object of the auction must possess valid formal legality in order to ensure legal certainty for the auction buyer (Purnayasa, 2018).

In the context of voluntary auctions involving land objects, several fundamental requirements must be fulfilled to ensure the validity of the auction. First, the legitimacy of the seller or auction applicant, who must be the lawful holder of the land rights, proven by a land title certificate issued in their name. Second, the legitimacy of the auction object, which must consist of registered land rights supported by a valid certificate in accordance with the national land registration system. Third, the authority to sell, meaning that the seller must possess full legal

capacity to transfer the auctioned object without any restrictions or encumbrances that may hinder the transfer of rights. Fourth, compliance with the principle of publicity in agrarian law, which requires that any transfer of land rights must be capable of being publicly announced and registered in order to provide legal certainty for good-faith third parties.

A juridical problem arises when the object of a voluntary auction is land still subject to a PPJB. In such a situation, there exists a normative inconsistency between the formal ownership status, which remains in the name of the seller as recorded in the land certificate, and the material ownership of the PPJB buyer who has already paid part or all of the purchase price. The seller, whose name is still listed in the certificate, is formally and legally recognized as the rights holder, yet morally and contractually bound to transfer those rights to the PPJB buyer. The execution of a voluntary auction under these conditions raises fundamental questions regarding the validity of the seller's authority to transfer the land through auction, as well as the legal protection available to an auction buyer acting in good faith who may be unaware of the prior existence of a PPJB.

An auction buyer acting in good faith participates in a voluntary auction with the legitimate expectation of acquiring an object with valid and complete ownership status. The principle of trust in the auction system administered by the state through the State Wealth and Auction Service Office (KPKNL) forms the basis for such buyers to believe that the auctioned object has undergone proper verification of document authenticity and legal validity.

However, when the auctioned object is still encumbered by a PPJB, there exists a fundamental legal defect in the underlying title that may render the auction null or voidable. Under Article 1320 in conjunction with Article 1335 of the Indonesian Civil Code, the object of an agreement must be certain and freely tradable. Land that remains under

a PPJB does not meet the requirements of a legally valid auction object, because the seller (as the formal owner named in the certificate) is morally and contractually bound to transfer the right through the execution of a Deed of Sale in favor of the PPJB buyer ((Sihombing, 2016).

This legal defect creates significant uncertainty regarding ownership status, to the detriment of the auction buyer. A PPJB holder who feels harmed because the object bound by a preliminary sale agreement has been auctioned to a third party has a legal basis to file a claim for annulment of the auction or a claim for damages. Such a claim may be grounded in the argument that the auction was conducted without lawful authority, as the seller was already contractually obligated to transfer the property to the PPJB buyer. From the perspective of contract law, a seller who transfers an object already bound by a PPJB to a third party through auction may be deemed to have committed a breach of contract (*wanprestasi*) against the PPJB buyer. This situation results in a conflict of interests between the PPJB buyer, who holds a personal claim (*vorderingsrecht*) under the agreement, and the auction buyer, who acquires a real right (*zakelijk recht*) based on the auction outcome.

The uncertainty of ownership status becomes even more complex when viewed through the principle of *nemo plus iuris transferre potest quam ipse habet*, which provides that no one may transfer rights greater than those they lawfully possess. Although the seller is still formally recorded as the rights holder in the land certificate, substantively the seller is bound by contractual obligations that limit their authority to transfer the property to another party. An auction buyer who acquires the property from a seller whose authority is thus restricted is at risk of obtaining a defective title, or even one that may later be nullified by a court decision. This legal risk is highly detrimental to the auction buyer who has expended funds in the legitimate expectation of securing clear and certain ownership.

Article 1338 paragraph (3) of the Indonesian Civil Code mandates that agreements must be executed in good faith. In the context of auctions, an auction buyer acting in good faith is entitled to adequate legal protection, having complied with lawful auction procedures and paid the auction price in accordance with applicable regulations. The good faith of the auction buyer is reflected in their reliance

on the state auction system and their belief that the auctioned object has undergone proper legal verification by the State Assets and Auction Service Office (KPKNL). However, when the auctioned object is legally defective because it is still encumbered by a PPJB, the auction buyer is exposed to the risk of eviction — a highly detrimental outcome. The risk of eviction arises when the PPJB holder files a lawsuit for annulment of the auction and the court grants the claim. In such circumstances, the auction buyer may lose the object purchased despite having paid the auction price, including auction fees and other associated costs. The financial losses suffered by the auction buyer extend beyond the loss of funds expended; they also include the loss of opportunity to acquire a similar object at the same price. In addition, the buyer experiences immaterial losses in the form of time, effort, and expenses incurred in participating in the auction and handling the post-auction administrative process (Satrio, 1998).

The injustice experienced by the auction buyer becomes even more evident when examined in light of the principle of protection for good-faith third parties under civil law. An auction buyer who did not know, and could not reasonably have known, of the existence of a PPJB—given that PPJBs are not recorded in the national land registration or publication system—should, in principle, be entitled to legal protection. However, in practice, such protection cannot be optimally granted due to the legal defect inherent in the auctioned object, which stems from the seller's limited authority. This situation reflects an imbalance in legal protection between the PPJB holder, who possesses a contractual claim right, and the auction buyer, who acquires a real right through an auction that is legally flawed (Yuliyanto & Ratna, 2019).

In voluntary auctions that are legally defective due to the object still being subject to a PPJB, several parties may be held legally accountable. First, the seller or auction applicant who submits the property for auction despite its existing PPJB encumbrance may be held liable for an unlawful act (*onrechtmatige daad*) under Article 1365 of the Civil Code. A seller who knows or should reasonably know that the auctioned object is still bound by a PPJB, yet proceeds to request an auction, commits an unlawful act that harms both the PPJB holder and the auction buyer. With respect to the PPJB holder, the seller has

committed a breach of contract (*wanprestasi*) by failing to execute the Deed of Sale and instead transferring the object to another party. With respect to the auction buyer, the seller's actions cause the buyer to acquire an object with a legally defective title, exposing them to potential future disputes.

Second, the State Wealth and Auction Service Office (KPKNL), as the auction organizer, is obligated to examine the legality of the auction object prior to the auction process, as mandated by Article 10 of Minister of Finance Regulation No. 122/PMK.06/2023. This legal examination includes verifying ownership documents, the seller's authority, and the existence of any disputes or encumbrances that may obstruct the transfer of rights. Negligence on the part of KPKNL in conducting a thorough verification of the object's legal status may serve as grounds for legal action by an aggrieved auction buyer. Although in practice KPKNL often argues that its examination is limited to the formal documents submitted by the auction applicant, the principle of due diligence requires KPKNL to conduct a more substantive review—particularly when the auction object is land with high economic value.

Third, a Notary or Land Deed Official (PPAT) involved in preparing documents that serve as the basis for the auction may also be held professionally liable if proven to have breached their duty of care. A Notary who drafts a PPJB has a legal obligation to advise the parties on the legal consequences of the PPJB and the importance of promptly executing a Deed of Sale to ensure legal certainty. If the Notary fails to provide such advice and a dispute later arises due to the auction of land still bound by a PPJB, the Notary may be held accountable under professional ethics rules and notarial regulations. Similarly, a PPAT tasked with executing a Deed of Sale after the auction must examine the ownership history of the object and ensure that no legal disputes or encumbrances exist that could obstruct the transfer of rights (Harsono, 2015).

Based on the foregoing juridical analysis, it can be concluded that the voluntary auction of land still subject to a PPJB creates legal implications that severely disadvantage the auction buyer. The uncertainty of ownership status, the risk of eviction, and the potential for prolonged legal disputes are consequences that must be borne by auction buyers acting in good faith. This situation demonstrates a

structural weakness in the national auction system, which has yet to provide adequate protection for auction buyers against objects with defective legal titles. To ensure better legal protection for auction buyers, improvements are required both in terms of regulation and implementation (Karunia & Husni, 2017).

From a regulatory standpoint, it is necessary to refine the Minister of Finance Regulation on Auction Implementation Guidelines to clarify the legal due diligence obligations of KPKNL regarding auction objects. Provisions governing the examination of auction documentation must be clarified and tightened, particularly for land objects with high economic value. KPKNL should be required not only to review the formal documents submitted by the auction applicant, but also to conduct verification with the Land Office and other relevant authorities. In addition, strict sanctions must be imposed on sellers who intentionally conceal the existence of a PPJB or other legal encumbrances that may hinder the transfer of rights.

From an implementation perspective, KPKNL must enhance the capacity and competence of auction officials in conducting legal examinations of auction objects. Regular training and legal socialization related to agrarian law, contract law, and auction law must be provided to auction personnel. Furthermore, KPKNL needs to develop an integrated information system connected to the Land Office to facilitate the verification of ownership history and legal status of auctioned land. With an integrated information system, KPKNL can more easily determine the existence of disputes, encumbrances, or legal restrictions that may impede the transfer of rights over the auction object (Sutedi, 2019).

In the long term, agrarian legal reform is required to provide stronger legal certainty for all parties involved in land transactions. The land publication system must be strengthened by mandating the registration of all legal encumbrances that limit an owner's authority to transfer land rights, including PPJBs. Such registration would allow third parties to clearly ascertain the legal status of a land object and avoid the risk of acquiring property with defective title. Additionally, the adoption of a land title insurance system should be considered, as it may offer financial protection to buyers harmed by legal defects in the property they have acquired.

CONCLUSION

The voluntary auction of land still bound by a Sale and Purchase Binding Agreement (PPJB) and not yet converted into a Deed of Sale constitutes a legally defective process, as it fails to meet the formal requirements stipulated in Article 37 paragraph (1) of Government Regulation No. 24 of 1997. A PPJB creates only personal claim rights and does not give rise to lawful real rights over land, which places it in contradiction with the national agrarian legal system. Consequently, the seller in such an auction does not possess full legal authority to transfer the land to the auction buyer. Good-faith auction buyers are exposed to significant risks, including the annulment of the auction, potential eviction, financial loss, and lost investment opportunities. This legal uncertainty undermines the principle of good-faith buyer protection and contravenes both consumer protection norms and the provisions of the Indonesian Civil Code. To address these issues, it is necessary to expressly prohibit the auction of land still under PPJB status within auction regulations and to strengthen the legal verification obligations of KPKNL. Further, a legal protection mechanism—potentially including a compensation or guarantee fund—should be provided for auction buyers who suffer losses due to defective title. Regulatory harmonization is also required to minimize normative inconsistencies between auction law, agrarian law, and contract law. Through these reforms, the voluntary auction system can operate with greater credibility, transparency, and legal certainty, ultimately ensuring fair protection for all parties involved.

REFERENCES

- Harsono, B. (2015). Hukum agraria indonesia. *Buku Dosen-2014*.
- Karunia, A. A., & Husni, A. (2017). Pertanggungjawaban Notaris sebagai Pejabat Lelang Kelas II. *JATISWARA*, 32(3).
- Purnayasa, A. T. (2018). Akibat Hukum Terdegradasinya Akta Notaris yang Tidak Memenuhi Syarat Pembuatan Akta Autentik. *Acta Comitatus: Jurnal Hukum Kenotariatan*, 3(3), 395–409.
- Ramadhani, R. (2022). Kedudukan Hukum Perjanjian Perikatan Jual Beli (PPJB) dalam

Kegiatan Pendaftaran Peralihan Hak Atas Tanah. *IURIS STUDIA: Jurnal Kajian Hukum*, 3(1), 45–50.

- Satrio, J. (1998). *Hukum jaminan, hak jaminan kebendaan, hak tanggungan*. Citra Aditya Bakti.
- Setiadi, W. (2012). Pembangunan hukum dalam rangka peningkatan supremasi hukum. *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional*, 1(1), 1–15.
- Sihombing, D. R. (2016). Perlindungan Hukum Bagi Debitur Wanprestasi Dalam Eksekusi Jaminan Fidusia Berdasarkan Undang-Undang Nomor 42 Tahun 1999 Tentang Fidusia. *Jurnal Hukum Media Justitia Nusantara*, 6(1).
- Sutedi, A. (2019). *Hukum hak tanggungan*. Sinar Grafika.
- Wignjosoebroto, S. (2013). *Pergeseran paradigma dalam kajian-kajian sosial dan hukum*. Setara press.
- Yuliyanto, A., & Ratna, E. (2019). Penerapan pembatasan penuntutan hak atas tanah untuk menjamin kepastian hukum pemegang hak. *Notarius*, 12(1), 467–483.