

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 64 OF 2021
ON
LAND BANK AUTHORITY

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that in order to implement the provisions of Article 135 of Law Number 11 of 2020 on Job Creation, it is necessary to issue a Government Regulation on Land Bank Authority;

Observing : 1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);

HAS DECIDED:

To issue : GOVERNMENT REGULATION ON LAND BANK AUTHORITY

CHAPTER 1
GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. Land Bank Authority, hereinafter referred to as Land Bank, means a special agency (*sui generis*) which is an Indonesian legal entity established by the Central Government and is given special authority to manage land.
2. Right to Cultivate, Right to Build, and Right to Use mean rights as referred to in Law Number 5 of 1960 on Basic Agrarian Principles.
3. Right to Manage means the right to control by the State which authority to exercise is partially delegated to the holder of the Right to Manage
4. Land Bank Assets means all assets controlled by the Land Bank, whether tangible or intangible, which are valuable as a result of past events that provide benefits in the future.
5. Land Bank Committee, hereinafter referred to as the Committee, means the committee that has duty to determine the strategic policies of the Land Bank.
6. Board of Supervisors means the organ of the Land Bank that has duty to supervise all activities of the Land Bank and submitting recommendations on the implementation of policies for the operation of the Land Bank.
7. Implementing Agency means the organ of the Land Bank which is authorized and fully responsible for the operation of the Land Bank.
8. Central Government means the President of the Republic of Indonesia holding the power of governing the State of the Republic of Indonesia assisted by a Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
9. Local Government means a head of region as the organizing element of a Local Government who leads the implementation of Governance affairs which is the authority of autonomous region
10. Minister means the minister administering government affairs in the agrarian/land and spatial fields.

Article 2

- (1) Based on this Government Regulation, Land Bank is established as Indonesian legal entity.
- (2) The Land Bank as referred to in section (1) is given special authority to guarantee the availability of land in the framework of a just economy, for:
 - a. public interest;
 - b. social interests;
 - c. national development interests;
 - d. economic equality;
 - e. land consolidation; and
 - f. agrarian reform.
- (3) Land Bank is responsible to the President through the Committee.
- (4) Land Bank Assets are separated state assets.
- (5) Land Bank is domiciled in the Capital City of the Unitary State of the Republic of Indonesia.
- (6) Land Bank may have representative offices throughout the territory of the Unitary State of the Republic of Indonesia.

CHAPTER II

FUNCTIONS AND DUTIES OF LAND BANK

Part One

General

Article 3

- (1) Land Bank has the following functions:
 - a. planning;
 - b. land procurement;
 - c. land acquisition;
 - d. land management;
 - e. land utilization; and
 - f. land distribution.
- (2) In carrying out the functions as referred to in section (1), the Land Bank has the following duties to:

- a. carry out planning long-term, mid-term, and annual activities;
- b. carry out land acquisition that can be sourced from the stipulation of the government and other parties;
- c. carry out land acquisition for development in the public interest or direct land acquisition;
- d. carry out land management from development, maintenance, security, and land control activities;
- e. carry out land utilization through utilization cooperation with other parties; and
- f. carry out land distribution by carrying out land provision and distribution activities.

Article 4

Land Bank is transparent, accountable, and non-profit.

Part Two

Planning

Article 5

- (1) The planning as referred to in Article 3 section (1) point a, includes:
 - a. long-term plan;
 - b. mid-term plan; and
 - c. annual plan.
- (2) The long-term plan as referred to in section (1) point a is an activity plan for 25 (twenty-five) years period.
- (3) The mid-term plan as referred to in section (1) point b is an activity plan for 5 (five) years period.
- (4) The annual plan as referred to in section (1) point c is an activity plan for 1 (one) year period.
- (5) The planning as referred to in section (1) is based on the national mid-term development plan and the spatial plan.
- (6) The planning as referred to in section (1) is determined by the head of the Implementing Agency after obtaining approval from the Committee.

Part Three
Land Procurement

Article 6

Land acquisition as referred to in Article 3 section (1) point b comes from:

- a. land resulting from government stipulation; and/or
- b. land from other parties.

Article 7

The land resulting from the stipulation of the government as referred to in Article 6 point a consists of State land originating from:

- a. ex-titled land;
- b. abandoned areas and lands;
- c. land of released forest estate;
- d. raised ground;
- e. land from reclamation;
- f. ex-mining land;
- g. land of small islands;
- h. land affected by changes in spatial policy; and
- i. land without control.

Article 8

(1) Land from other parties as referred to in Article 6 point b originates from:

- a. Central government
- b. Local government;
- c. state-owned enterprises;
- d. local-owned enterprises;
- e. business entity;
- f. legal entity; and
- g. public.

(2) The land acquisition from other parties as referred to in section (1) is carried out through the following processes:

- a. purchase;
- b. receipt of grants/donations or the like;
- c. exchange;
- d. waiver of rights; and
- e. other legal form of acquisition.

Part Four
Land Acquisition

Article 9

Land acquisition as referred to in Article 3 section (1) point c is carried out through stages of land acquisition mechanism for development in the public interest or direct land acquisition.

Part Five
Land Management

Article 10

Land management as referred to in Article 3 section (1) point d consists of the following activities:

- a. land development;
- b. land maintenance and security; and
- c. land control.

Article 11

- (1) Land development as referred to in Article 10 point a covers land preparation for the following activities:
 - a. housing and residential areas;
 - b. urban renewal;
 - c. integrated area development;
 - d. land consolidation;
 - e. infrastructure development;
 - f. construction of other facilities and infrastructure;
 - g. land maturation to prepare for the management of the Land Bank; and
 - h. national strategic project.
- (2) The land development as referred to in section (1) may take

the form of construction of infrastructure facilities and infrastructure for industrial estates, tourism areas, agriculture, plantations, special economic zones, other economic zones, and other forms of development that support Land Bank activities.

- (3) The development as referred to in section (2) may be carried out by the Land Bank and/or in cooperation with the Central Government, Local Government, and/or other parties.
- (4) Land development activities as referred to in section (1) is carried out based on the suitability of the spatial plan.
- (5) In the event that the planning of land development activities is strategic in nature and has not been included in the spatial plan, the land development activities as referred to in section (1) is carried out based on recommendations for the suitability of spatial utilization activities.
- (6) Recommendations for the suitability of spatial utilization activities as referred to in section (5) are issued by the Minister and become the basis for implementing spatial utilization activities.

Article 12

- (1) Land maintenance and land security as referred to in Article 10 point b consists of:
 - a. legal aspects; and
 - b. physical aspect.
- (2) The legal aspects as referred to in section (1) point a include:
 - a. legal certainty of land rights; and
 - b. active in legal efforts to maintain legal certainty of land rights both outside and inside the court.
- (3) The physical aspect as referred to in section (1) point b is the activity of maintaining and securing the physical land.

Article 13

Land control as referred to in Article 10 point c consists of the following activities:

- a. control of land tenure;
- b. control of land utilization; and
- c. control of land value.

Part Six
Land Utilization

Article 14

- (1) Land utilization as referred to in Article 3 section (1) point e is carried out through utilization cooperation with other parties.
- (2) The utilization cooperation with other parties as referred to in section (1) may take the form of:
 - a. sale and purchase;
 - b. lease;
 - c. business cooperation;
 - d. grant;
 - e. exchange; and
 - f. other forms agreed with the other party.
- (3) In carrying out land utilization, the Land Bank remains to pay attention to the principle of benefit and the principle of priority.

Part Seven
Land Distribution

Article 15

- (1) The land distribution as referred to in Article 3 section (1) point f is in the form of land provision and distribution activities.
- (2) The distribution of land as referred to in section (1) is intended at least for:
 - a. ministries/agencies;
 - b. Local government;
 - c. social and religious organizations; and/or
 - d. public determined by the Central Government.

Part Eight

Land Availability Guarantee

Article 16

In carrying out the functions and duties as referred to in Article 3, the Land Bank guarantees the availability of land for:

- a. public interest;
- b. social interests;
- c. national development interests;
- d. economic equity;
- e. land consolidation; and
- f. agrarian reform.

Article 17

Support to guarantee land availability for public interest as referred to in Article 16 point a may consist of:

- a. national defense and security;
- b. public roads, toll roads, tunnels, railway lines, railway stations, and railway operating facilities;
- c. reservoirs, dams, bends, irrigation, waterways and sanitation, and other irrigation infrastructure;
- d. ports, airports, and terminals;
- e. oil, gas, and geothermal infrastructure;
- f. power plant, transmission, substation, network, and/or electric power distribution;
- g. telecommunications and information networks;
- h. waste disposal and processing as well as waste management;
- i. development of production and clean water networks;
- j. hospital;
- k. public safety facilities;
- l. public cemetery;
- m. social facilities, public facilities, and public green open spaces;
- n. natural and cultural reserves;
- o. Central Government office, Local Government office, or Rural Village Office;
- p. arrangement of urban slum settlements and/or

- consolidation of land and housing for low-income communities;
- q. educational or school infrastructure;
- r. sports infrastructure;
- s. public markets and public parking lots;
- t. upstream and downstream oil and gas industrial estate;
- u. special economic zones;
- v. industrial estate;
- w. tourism area;
- x. food security area; and
- y. technology development area.

Article 18

Support to guarantee land availability for social purposes as referred to in Article 16 point b consists of guaranteeing the provision of land for the purpose of education, worship, sports, culture, reforestation, conservation, and other social interests.

Article 19

Support to guarantee land availability for the benefit of national development as referred to in Article 16 point c is a guarantee for the provision of land for development carried out by the Central Government and Local Governments in order to support economic improvement and investment.

Article 20

Support to guarantee land availability for economic equality as referred to in Article 16 point d is a guarantee for the provision of land for pioneer programs, opening of regional isolation, development of people's markets, development of housing area for low-income communities, and other economic equality programs.

Article 21

Support to guarantee land availability for land consolidation as referred to in Article 16 point e is a guarantee for the provision of land in the context of structuring the area to improve

environmental quality as well as for efficiency and optimization of development.

Article 22

- (1) Support to guarantee land availability for agrarian reform as referred to in Article 16 point f is a guarantee for the provision of land in the context of land redistribution.
- (2) The land availability for agrarian reform as referred to in section (1) is at least 30% (thirty percent) of the state land which is stipulated for the Land Bank.
- (3) The Minister determines the land availability for agrarian reform as referred to in section (2).

CHAPTER III

AUTHORITY OF LAND BANK

Article 23

Land Bank has the authority to:

- a. formulate a master plan;
- b. support in facilitating the provision of business permit/business approval;
- c. carry out land acquisition; and
- d. determine service rates.

Article 24

- (1) The formulation of the master plan as referred to in Article 23 point a is the land bank area planning.
- (2) The master plan as referred to in section (1) is the basis for the utilization of the Land Bank area.
- (3) The master plan as referred to in section (1) is determined by the head of the Implementing Agency.

Article 25

In helping to facilitate business permit/approval as referred to in Article 23 point b, the Land Bank provides assistance in the land and spatial field.

Article 26

- (1) The service rate as referred to in Article 23 point d is the land utilization rate in the form of lease, lease purchase, sale and purchase, and other forms.
- (2) The formulation of the rate for land utilization is determined by the Committee based on the proposal of the head of the Implementing Agency.
- (3) The amount of the rate for land utilization as referred to in section (1) is determined by the head of the Implementing Agency.
- (4) The Head of the Implementing Agency may provide competitive rates, timeframes, and payment procedures.
- (5) Land Bank may receive payments in the form of temporary equity participation in other parties engaging in land utilization cooperation.
- (6) In the event of certain interests, the rates of land utilization as referred to in section (3) is determined as follows:
 - a. for social interests and agrarian reform, Rp0,00 (zero rupiah); and
 - b. for other purposes, it can be Rp0.00 (zero rupiah) in accordance with the Committee's policy.
- (7) Further provisions regarding the procedure for temporary equity participation as referred to in section (5) are regulated in a Presidential Regulation.

CHAPTER IV

LAND BANK ASSETS

Article 27

Sources of Land Bank Assets can be from:

- a. State budget;
- b. own income;
- c. State equity participation; and/or
- d. other legitimate sources in accordance with the provisions of legislation.

Article 28

The Land Bank manages land assets derived from the

acquisition as referred to in Article 6 to Article 9.

Article 29

- (1) Land Bank may be granted regional taxation facilities in carrying out land acquisition, procurement, ownership, control, and/or utilization as granted to government agencies.
- (2) The acquisition, procurement, ownership, control, and/or utilization of land by the Land Bank as referred to in section (1) is exempted from the obligation to pay Land and Building Tax and/or Acquisition Duty of Right on Land and Building as long as it is not carried out in the context of gaining profit.
- (3) In the event that the Land Bank distributes the land as referred to in section (1) to other parties, the acquisition, procurement, ownership, control, and/or utilization of land by such other party is subject to Land and Building Tax and/or Acquisition Duty of Right on Land and Building in accordance with the provisions of legislation.
- (4) In the event that the distribution of land as referred to in section (3) is intended for low-income communities and/or for social/public facilities, the following provisions applies:
 - a. the transfer of land rights may be given Income Tax facilities in accordance with the provisions of legislation in the field of taxation; and
 - b. the acquisition of land rights by low-income communities is not subject to Acquisition Duty of Right on Land and Building.
- (5) Further provisions regarding the procedure for providing Income Tax facilities as referred to in section (4) point a is regulated by the regulation of a minister administering government affairs in the field of finance.

Article 30

- (1) Own income as referred to in Article 27 point b is income obtained from business cooperation, land utilization cooperation, and other legitimate incomes.

- (2) Own income as referred to in section (1) is in the form of:
 - a. income from asset utilization;
 - b. income from lease, lease purchase and other services;
 - c. income from the sale of assets;
 - d. income from business development cooperation with other parties;
 - e. income from the acquisition of grants and exchange;
 - f. income from management;
 - g. income from asset disposal;
 - h. the income from yields on securities issued by the Republic of Indonesia;
 - i. income from interest and/or bank fees;
 - j. income from company; and/or
 - k. other legitimate incomes as determined by the Decision of the Head of the Implementing Agency.
- (3) Own income as referred to in section (1) is used directly for the continuity of the operation and development of the Land Bank.

CHAPTER V LAND BANK STRUCTURE

Part One General

Article 31

- (1) The structure of the Land Bank comprises of:
 - a. Committee;
 - b. Board of Supervisors; and
 - c. Implementing Agency.
- (2) The Committee as referred to in section (1) point a determines the strategic policy of the Land Bank.
- (3) The Board of Supervisors and the Implementing Agency as referred to in section (1) point b and point c are the organ of the Land Bank.
- (4) The Board of Supervisors as referred to in section (1) point b has function in supervising and providing advice to the

Implementing Agency in carrying out the operation of the Land Bank.

- (5) The Implementing Agency as referred to in section (1) point c is responsible for the operation of the Land Bank for the interests and objectives of the Land Bank, as well as representing the Land Bank both in and out of court.

Part Two
Committee

Article 32

- (1) The committee as referred to in Article 31 point a consists of:
 - a. Minister as chairperson serving concurrently member;
 - b. minister administering government affairs in the field of finance as a member;
 - c. minister administering government affairs in the field of public works and public housing as a member;
and/or
 - d. minister/head of other agency appointed by the President as a member.
- (2) The chair and members of the Committee are determined by Presidential Decree based on the proposal of the Minister.
- (3) Provisions regarding the duties and procedures for determining the Committee are regulated in a Presidential Regulation.

Part Three
Board of Supervisors

Article 33

- (1) The Board of Supervisors as referred to in Article 31 section (1) point b is stipulated by a Presidential Decree.
- (2) The Board of Supervisors as referred to in section (1) consist of a maximum of 7 (seven) persons, with 1 (one) person as chairperson and serving concurrently member.

- (3) In the event that the Board of Supervisors as referred to in section (2) consists of 7 (seven) persons, the composition consists of 4 (four) persons from professional elements and 3 (three) persons selected by the Central government.
- (4) Provisions regarding the selection, determination, appointment and dismissal, duties, authority, obligations, tenure, and decision-making procedures of the Board of Supervisors are regulated in a Presidential Regulation.

Part Four
Implementing Agency

Article 34

- (1) The Implementing Agency as referred to in Article 31 point c consists of a head and deputies.
- (2) The number of deputies as referred to in section (1) is determined by the chairperson of the Committee.
- (3) The head and deputies as referred to in section (1) are appointed and dismissed by the chairperson of the Committee.
- (4) The appointment and dismissal of the head and deputies as referred to in section (1) may be proposed by the Board of Supervisors .
- (5) The provisions regarding the determination, appointment and dismissal, tenure, organizational structure, duties, authority, and obligations of the Implementing Agency are regulated in a Presidential Regulation.

Article 35

Further provisions regarding the type and amount of financial rights and facilities for the Committee, Board of Supervisors , and Implementing Agency at the Land Bank are regulated by Presidential Regulation.

CHAPTER VI
OPERATION OF LAND BANK

Article 36

- (1) The Land Bank may cooperate with other parties in carrying out the activities of planning, procuring, acquiring, managing, utilizing, and distributing land as referred to in Article 3 section (1).
- (2) The cooperation as referred to in section (1) can be carried out with the Central Government, Local Government, state institutions, state-owned enterprises, local-owned enterprises, business entities, state-owned legal entities, private legal entities, public, cooperatives, and/or other legitimate parties.
- (3) In carrying out the cooperation as referred to in section (2), the Land Bank may receive the land entrusted and manage it in the form of a business cooperation.

Article 37

- (1) The Land Bank may establish a business entity or legal entity to support the operation of the Land Bank.
- (2) The establishment of a business entity or legal entity as referred to in section (1) is carried out by the head of the Implementing Agency after obtaining Committee approval.

Article 38

- (1) The Head of the Implementing Agency may terminate or cancel the cooperation unilaterally if the land is transferred, damaged, abandoned, and/or not utilized in accordance with cooperation agreement.
- (2) Termination or cancellation of cooperation as referred to in section (1) is preceded by a warning letter from the head of the Implementing Agency, at most 2 (two) times.
- (3) Further provisions regarding the mechanism for termination and cancellation of cooperation are regulated in the Regulation of the Head of the Implementing Agency.

Article 39

In the event that there is a change in the land utilization plan by the Land Bank, the head of the Implementing Agency notifies the concerned party for the utilization of the land in advance.

CHAPTER VII
LAND BANK'S RIGHT OVER LAND

Article 40

- (1) Land managed by the Land Bank is granted Right to Manage in accordance with the provisions of legislation.
- (2) Land rights beyond Right to Manage as referred to in section (1) may be granted in the form of:
 - a. Right to Cultivate;
 - b. Right to Build; and
 - c. Right to Use.
- (3) The Land Bank may handover and/or use parts of land with Right to Manage as referred to in section (1) to the other party by agreement.
- (4) The term of the Right to Build over the Right to Manage as referred to in section (2) point b may be granted an extension and renewal of rights if they have been used and/or utilized in accordance with the purpose of granting the rights.
- (5) The Land Bank provides guarantees for the extension and renewal of land rights beyond Right to Manage in accordance with the requirements contained in the agreement.
- (6) Extension and renewal of land rights beyond Right to Manage may be granted at once after being utilized and agreed upon.
- (7) In certain cases, the Land Bank may enter into a civil agreement for a more competitive period.
- (8) Land rights as referred to in section (2) may be encumbered with mortgage rights.
- (9) To support operational activities, the Land Bank may be granted Right to Build or Right to Use beyond Right to Manage as referred to in section (1).
- (10) The Minister supervises and controls the usage and/or utilization of land beyond the Right to Manage as referred to

in section (1) and section (2) in accordance with the provisions of legislation.

Article 41

In the event that the land rights beyond the Rights to Manage as referred to in Article 40 section (1) has been properly utilized for the housing of low-income communities, agriculture and/or plantations, for a minimum period of 10 (ten) years, it can be released to the public for ownership rights.

CHAPTER VIII
FINANCIAL MANAGEMENT

Part One
General

Article 42

- (1) Land Bank carries out financial management activities based on good governance.
- (2) Financial management by the Land Bank is carried out based on the principles of independence and sustainability.
- (3) The financial management as referred to in section (1) at least includes the preparation of work plans and budgets, cash management, asset management, securities management, and compliance to business plans.
- (4) The financial management as referred to in section (3) must apply risk management and internal control system.
- (5) Further provisions regarding financial management as referred to in section (3) are regulated by a Committee Regulation.

Part Two
Land Bank Capital

Article 43

- (1) To carry out its duties, functions, and authority, the Land

Bank is given a capital of Rp2,500,000.000.000,00 (two trillion five hundred billion rupiah).

- (2) The capital as referred to in section (1) may be provided in the form of:
 - a. cash;
 - b. lands;
 - c. buildings and structures;
 - d. equipment and machinery; and/or
 - e. other fixed assets.
- (3) The capital of the Land Bank as referred to in section (1) may be given additional capital originating from:
 - a. capitalization of the accumulated operating results of the Land Bank; and/or
 - b. state equity participation.
- (4) In the event that additional state equity as referred to in section (3) point b is required, the Committee proposes additional state equity participation to the minister administering government affairs in the field of finance.
- (5) The implementation of the provision of state equity and additional state equity participation is carried out in accordance with the provisions of legislation.

Part Three

Loan

Article 44

- (1) Land Bank may take loans in the context of financing to increase capacity for asset management as stated in the work plan and budget of the Land Bank.
- (2) The implementation of the loan as referred to in section (1) must obtain approval from the Committee and/or the Board of Supervisors whose provisions will be further regulated by a Presidential Regulation.

Part Four

Write-off of Non-Land Fixed Assets

Article 45

- (1) The Land Bank may write off of non-land fixed assets from

the administrations or balance sheets of the Land Bank.

- (2) Further provisions regarding the write-off of non-land fixed assets as referred to in section (1) are regulated by a Committee Regulation.

CHAPTER IX

ACCOUNTING, REPORTING, AND FINANCIAL RESPONSIBILITY

Article 46

- (1) The preparation of the financial statements of the Land Bank is guided by financial accounting standards.
- (2) The accounting for the Land Bank is carried out using the policies determined by the head of the Implementing Agency.

Article 47

- (1) The audit of financial reporting and accountability for the operation of the Land Bank is carried out by a public accountant registered with the Audit Board of the Republic of Indonesia.
- (2) The public accountant as referred to in section (1) is selected by the Board of Supervisors on the recommendation of the head of the Implementing Agency.

Article 48

- (1) The Implementing Agency is obligated to compile annual report on the Land Bank and submit to the President through the Committee.
- (2) Provisions regarding the procedures for preparing the Land Bank annual report, the accountability of the Implementing Agency and the Board of Supervisors , as well as the ratification of the Land Bank annual report are regulated in a Presidential Regulation.

Article 49

The management of information and reporting of the Land Bank is carried out in accordance with the principles and objectives as stipulated in the legislation regarding public information disclosure.

CHAPTER X
MISCELLANEOUS PROVISIONS

Article 50

In the event that this Government Regulation provides an option to not regulate, is incomplete, or unclear, and/or there is a government stagnation, the Minister may exercise discretion to overcome concrete issues in the administration of government affairs in the field of Land Bank .

CHAPTER XI
CLOSING PROVISIONS

Article 51

This Government Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Government Regulation by its placement in the State Gazette of Republic of Indonesia.

Issued in Jakarta
on 29 April 2021

PRESIDENT OF THE REPUBLIC OF INDONESIA

signed

JOKO WIDODO

Promulgated in Jakarta
on 29 April 2021

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,
Ad Interim

signed

MOHAMMAD MAHFUD MD

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 109 OF 2021

Jakarta, 22 March 2022

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION
OF
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 64 OF 2021
ON
LAND BANK AUTHORITY

I. GENERAL

The constitution has provided clear regulation regarding land in Indonesia. It is affirmed in Article 33 section (3) of the 1945 Constitution of the Republic of Indonesia that the land, the water and the natural resources within it under the powers of the State and therefore the State is obligated to regulate its ownership and lead its use. The goal is to ensure that all lands within the sovereign territory of the Indonesian nation is used for the greatest prosperity of the people.

Land has a very strategic function, both as natural resource and as space for development. However, in this vast country of Indonesia, there are still a lot of abandoned lands whose use is unclear. These abandoned lands tend to be used only as objects of speculation.

Therefore, the Central Government must immediately make improvements in the agrarian sector, especially in relation to land management for the development of public interests, social interests, national development interests, economic equality, land consolidation, and agrarian reform. The government responds quickly and accurately in formulating policies to improve land governance problems. Law Number 11 of 2020 on Job Creation is expected to be able to response the strategic environmental challenges and manage several problems as well as carry out the mandate of Article 33 section (3) of the 1945 Constitution of the Republic of Indonesia, and provide a legal basis for Land Bank

institution

in Indonesia as one of efforts of agrarian reform and improvement of land governance in Indonesia as well as efforts to create job opportunities.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

The term“ agrarian reform" means the restructuring of control, ownership, usage, and utilization of land in a more equitable manner by restructuring assets as well as access for the prosperity of the people of Indonesia.

The agrarian reform carried out by the Land Bank is implemented outside the forest area.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 3

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

The term "land distribution" means the implementation of the duties of the Land Bank in the context of fulfilling the availability of land for the public interests, social interests, national development interests, economic equality, land consolidation and agrarian reform.

Land distribution carried out by the Land Bank is different from land redistribution which is defined as the distribution of land directly to persons or entities by the ministry administering government affairs in the agrarian, land and spatial field.

Article 4

The term "transparent" means transparency in carrying out the decision-making process and in conveying material and relevant information about Land Bank in an accurate and timely manner.

The term "accountable" means clarity in the function, implementation and responsibility of the Committee, Land Bank organ and employees so that the Land Bank management can be carried out effectively.

The term "non-profit" means that income earned from the Land Bank is used only for organizational development and will not be distributed as profits to the Land Bank organ.

Article 5

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

In determining the plan, the head of the Implementing Agency takes into account the input from the Board of Supervisors.

Article 6

Point a

Government's stipulation is carried out by the Minister and may coordinate with the minister/head of the relevant technical agencies and/or the governor/regent/mayor.

Point b

Sufficiently clear.

Article 7

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term "land from reclamation" means land from reclamation whose rights have not been proposed by the executor of the reclamation based on the provisions of legislation.

Point f

The term "ex-mining land" means post-mining land whose rights have not been extended based on the provisions of legislation.

Point g

Sufficiently clear.

Point h

The term "land affected by changes in spatial policy" means land originating from the allocation of a change in area designation.

Point i

Sufficiently clear.

Article 8

Section (1)

Point a

The term "land originating from the Central Government" means land that is controlled or used for the benefit of the Central Government, whether registered as state assets or otherwise.

Point b

The term "land originating from the local government" means land that is controlled or used for the benefit of the local government, whether registered as local asset or otherwise.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Point a

The term "land development" means an activity to increase the utilization and usage of land acquired by the Land Bank for the sake of functional activities that can optimally meet life and business needs from an economic, social and physical point of view.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Article 11

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term "integrated area development" means regional development based on various functions that are integrated in one area consisting of:

1. development of an integrated area with a transportation system/transit-oriented development;
2. development of agriculture/agropolitan-based areas;
3. development of fishery/minapolitan-based areas; and
4. development of air transportation/aero city-based areas.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Section (2)

The term "infrastructure and facilities" means basic infrastructure, including but not limited to land preparation, construction of waterways, electricity, and roads.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

The term "strategic in nature" means an activity that has a very important influence on national defense, security, economic growth, equitable development, and socio-culture.

Section (6)

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Point a

The term "control of land tenure" means control over land tenure so that land tenure is not concentrated on certain community groups.

Point b

The term "control of land utilization" means control over land utilization activities so that they are in accordance with the spatial plan and priority programs determined by the Land Bank.

Point c

The term "control of land value" means control over the price and value of land that is determined and controlled so that the price becomes reasonable and prevents land speculation.

Article 14

Section (1)

Sufficiently clear.

Section (2)

Point a

The term "sale and purchase" means the result of cooperation in the utilization of land to other parties who are granted land rights and derivative rights without relinquishing or reducing the Right to Manage.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term "grant" means the result of cooperation in land utilization without obtaining compensation to another party who is granted land rights and derivative rights without relinquishing or reducing Right to Manage.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Section (3)

The term "principle of benefit" means the result of Land Bank operation that provides broad benefits for the interests of the public, nation and state.

The term "principle of priority" means land utilization in Land Bank operation that prioritizes the interests of the public, nation and state.

Article 15

Section (1)

The term "land provision" means the provision for public interests, social interests, economic equality interests, development interests, land consolidation interests, and agrarian reform.

The term "land distribution" means held in the context of land redistribution in accordance with the provisions of legislation.

Section (2)

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

The term "pioneer programs" means pioneering development programs carried out in frontier, remote, and underdeveloped areas.

Article 21

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term "determine service rates" means tariff for land utilization activities as regulated in the Regulation of the Head of the Implementing Agency.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear

Article 26

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The term "competitive rates" means that the rates set by the Land Bank is affordable.

The term "competitive timeframes" means that the timeframe for tariff payment can be made in accordance with the agreement of the parties.

The term "competitive payment procedures" means that the tariff payment procedure is in accordance with the agreement of the parties.

Section (5)

Sufficiently clear.

Section (6)

Point a

Sufficiently clear.

Point b

The term "other purposes" means purposes as referred to in Article 16 other than social interests and agrarian reform, namely:

- a. public interests;
- b. national development interests;
- c. economic equality; and
- d. land consolidation.

Section (7)

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

The term Bank interest means, among others, from giro and time deposits.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 31

Sufficiently clear

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Section (1)

The term "legislation" means legislation in the agrarian/land and spatial field.

Section (2)

The granting of land rights as referred to in section (1) and land rights on Rights to Manage are carried out by the minister

administering government affairs in the agrarian/land and spatial field.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

Sufficiently clear.

Section (9)

The term to support operational activities means, among others, for Land Bank Offices, official houses of other agencies, and other supporting facilities.

Section (10)

Sufficiently clear.

Article 41

The term "agriculture and/or plantations" means agricultural land and/or plantation which is given to the subject and its area in accordance with the provisions of legislation concerning land redistribution.

Article 42

Section (1)

The term "good governance" means financial management that adheres to the principles of prudence and implementing transparent, accountable, efficient and effective governance.

Section (2)

The term "principle of independence" means a financial pattern that provides flexibility to the Land Bank to promote public welfare, create jobs, provide services to the public, and national development.

The term "principle of sustainability" means being able to obtain

a surplus which can be returned for the development of the Land Bank.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Section (1)

The term "loans in the context of financing to increase capacity for asset management" includes but not limited to:

- a. loans from banks or other financial institutions; and
- b. bonds issuance.

Loans to finance in order to increase capacity for asset management are carried out in accordance with good governance.

Section (2)

Sufficiently clear.

Article 45

Section (1)

Sufficiently clear.

Section (2)

The term "write off of non-land fixed assets" the writing-off assets used in supporting activities for the operation of a Land Bank, including but not limited to:

- a. buildings and structures; and
- b. equipment and machinery.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

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