

# LEGAL CERTAINTY IN THE TRANSFER OF LAND RIGHTS THROUGH AUCTION: A CASE ANALYSIS OF THE SUPREME COURT DECISION NO. 920 K/PDT/2020 ON THE CANCELLATION OF EXECUTION SEIZURE OF ENCUMBERED LAND

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## Abstract

This article examines the legal certainty of transferring land rights through public auction in Indonesia, with a specific focus on the Supreme Court Decision No. 920 K/Pdt/2020. The decision addresses a case involving a request to annul the execution seizure of encumbered land obtained through auction. The study applies a normative juridical method and uses statutory and case approaches to explore the alignment of legal proceedings with positive law. It particularly investigates the auction process, the nature of mortgage rights (*Hak Tanggungan*), and the legal implications for third parties claiming inheritance rights. The decision ultimately reaffirmed the purchaser's rights and provided a precedent supporting legal certainty in auction-based land transfer. This analysis highlights the importance of executing court decisions with enforceable power and the role of mortgage law in ensuring creditor protection and legal clarity for auction buyers.

**Keywords:** *Legal certainty, mortgage rights, auction, land law, Supreme Court Decision, execution seizure, Hak Tanggungan*

## I. BACKGROUND

Indonesia is a state governed by law, as affirmed in Article 1 paragraph (3) of the 1945 Constitution, which declares that “The State of Indonesia shall be a state based on law.” This principle mandates that all aspects of governance and public life must conform to the rule of law. In civil disputes, particularly those involving property and inheritance, judicial resolution is fundamental to upholding justice and fairness. Civil procedural law governs how disputes are initiated, defended, and adjudicated, including the enforcement of judgments. A significant challenge arises when court decisions—despite being favorable to one party—become unenforceable due to the defendant’s ability to dispose of assets during lengthy litigation. Such outcomes render court rulings illusory, undermining the principle of legal certainty. To mitigate this risk, the judiciary is empowered to impose execution seizures (*sita eksekutorial*), ensuring that the court’s decision can be meaningfully enforced. However, the implementation of such measures often invites opposition from third parties claiming ownership or inheritance rights over the seized property. Article 207 of the Indonesian Civil Procedure Code allows these third parties to file legal objections against execution seizures, reinforcing the complex interplay between procedural enforcement and substantive rights. This article explores a landmark legal case—Supreme Court Decision No. 920 K/Pdt/2020—where several petitioners sought to annul the execution seizure of land that had been sold through public auction and encumbered with mortgage rights (*Hak Tanggungan*). The decision serves as a pivotal reference for understanding how Indonesian courts balance auction-based transfer of rights with the claims of third parties. The analysis aims to reveal whether the auction process upheld the principle of legal certainty and to evaluate the legal reasoning behind the Supreme Court’s ruling.

## II. RESEARCH METHODOLOGY

This research adopts a normative juridical approach, focusing on the examination of legal norms, statutes, and judicial decisions relevant to the dispute concerning the execution seizure of land. It employs both a statutory approach (examining relevant laws and regulations) and a case approach (analyzing judicial decisions with binding legal force).

Data were obtained through library research, using legal documents, academic publications, and court decisions to construct a coherent legal analysis. The primary legal sources include:

# Legal Certainty in the Transfer of Land Rights through Auction: A Case Analysis of the Supreme Court Decision No. 920 K/Pdt/2020 on the Cancellation of Execution Seizure of Encumbered Land

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- Law No. 5 of 1960 on Basic Agrarian Principles (UUPA),
- Law No. 4 of 1996 on Mortgage Rights (UUHT),
- The Indonesian Civil Code (KUHPerdata),
- The Supreme Court Decision No. 920 K/Pdt/2020.

The analytical technique used is qualitative legal analysis, which involves the interpretation and contextualization of legal texts, judicial reasoning, and statutory frameworks in relation to the specific facts of the case.

## III. RESEARCH QUESTIONS

This article seeks to answer the following legal questions:

1. How was the land acquisition process through execution seizure conducted in relation to the mortgage rights held over the property?
2. What were the legal considerations and judicial reasoning behind the Supreme Court Decision No. 920 K/Pdt/2020?

These questions serve to evaluate the procedural validity and legal certainty offered by the execution of mortgage rights in Indonesia's civil justice system.

## IV. THEORETICAL FRAMEWORK

### A. Legal Certainty in Civil Law

Legal certainty (*rechtszekerheid*) is a fundamental principle of the rule of law, ensuring that legal norms are clear, predictable, and consistently applied. In civil disputes, especially those involving property rights, legal certainty safeguards the enforceability of court decisions and the protection of legitimate rights. This is particularly crucial in cases where auction procedures intersect with competing claims from third parties.

### B. The Nature of Mortgage Rights (*Hak Tanggungan*)

Under **Law No. 4 of 1996 on Mortgage Rights (UUHT)**, a *Hak Tanggungan* is a **security right** imposed on land and fixtures, used to guarantee the repayment of specific debts. Article 1(1) defines it as a right that grants priority to creditors over other creditors regarding specific land titles, such as **Hak Milik**, **Hak Guna Usaha**, and **Hak Guna Bangunan**. Mortgage rights follow the principle of *droit de suite*, meaning they remain attached to the land regardless of ownership transfer.

*Hak Tanggungan* is an **accessory right** (*accessoir*), meaning it is inseparable from the principal debt. It provides legal power to creditors to execute and seize the collateralized asset in the event of debtor default, through a streamlined execution mechanism regulated by the court.

### C. Principles of Security Rights in Indonesia

Security rights in Indonesian law—whether *Hak Tanggungan*, pledge (*gadai*), or fiduciary transfer—adhere to several core principles:

- **Publicity (Publitas):** Security rights must be registered (e.g., *Hak Tanggungan* at the Land Office) to be opposable to third parties.
- **Speciality (Spesialitas):** Security rights must be clearly tied to specific objects and claims.
- **Indivisibility (Onsplitsbaarheid):** Partial payment of the debt does not result in the partial release of the collateral.
- **Enforceability (Eksekutorial):** Mortgage rights grant legal authority for direct execution without additional court rulings once default occurs.

### D. Third-Party Opposition to Execution Seizure

Article 207 of the Indonesian Civil Procedure Code (HIR) allows third parties to file opposition (*derden verzet*) against execution seizures. Such challenges often arise when a property subjected to execution is claimed to be owned jointly (e.g., as inheritance), and not exclusively by the debtor. The courts must balance the interests of legal creditors and good-faith third parties while upholding procedural integrity.

## V. CASE ANALYSIS AND LEGAL DISCUSSION

### A. Case Background

# Legal Certainty in the Transfer of Land Rights through Auction: A Case Analysis of the Supreme Court Decision No. 920 K/Pdt/2020 on the Cancellation of Execution Seizure of Encumbered Land

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The Supreme Court Decision No. 920 K/Pdt/2020 concerns a dispute between the petitioners—Muhammad Yusuf Fachruddin, Hj. Juhria, Nursanah, and Yuliati—and the respondents—Muhammad Rasul, Muhammad R.P. Setia Budi, Bank Bukopin Sorong Branch, and the Head of the State Asset and Auction Service Office (KPKNL) Sorong. The petitioners filed a cassation request to annul or suspend the **execution seizure** (*sita eksekutorial*) of two land titles: **Certificate of Ownership (SHM) No. 1056/Remu Selatan** and **Right to Build (SHGB) Certificate No. 1970/Remu Selatan**.

The core argument raised by the petitioners was that the land in question constituted **joint family inheritance property**, and thus should not have been subject to seizure and auction by the court to satisfy the debts of Muhammad Rasul and Muhammad R.P. Setia Budi.

## B. Legal Process and Mortgage Execution

The disputed properties had previously been encumbered with **mortgage rights (Hak Tanggungan)** by Bank Bukopin as security for loans granted to the named debtors. After the debtors defaulted on their repayment obligations, Bank Bukopin initiated execution proceedings. The Sorong District Court issued a **writ of warning (aanmaning)** on October 15, 2018, and subsequently ordered the execution seizure of the mortgaged assets. These assets were then auctioned in accordance with applicable regulations.

The execution was carried out under the authority of a legally binding judgment and in accordance with **Article 224 HIR** and **Law No. 4 of 1996**, which permits direct execution based on an executorial title arising from a notarial deed and mortgage registration.

## C. Legal Considerations of the Supreme Court

The Supreme Court rejected the petitioners' arguments, ruling in favor of the auction buyer and the mortgage holder. The Court affirmed that:

- The properties had been legally registered under the debtors' names.
- The mortgage rights were validly established and registered in accordance with **UUHT** provisions.
- The auction process complied with **government regulations** and procedural requirements under Indonesian civil law.

The Court found no procedural irregularities or substantive legal violations in the execution and transfer of rights via auction. It held that third-party claims to shared inheritance must be proven through separate civil litigation and cannot invalidate a lawful execution that is based on registered mortgage rights.

## D. Legal Certainty and Protection of Auction Purchasers

This decision reinforces the **principle of legal certainty** in land transactions conducted through public auction. Mortgage rights are intended to protect creditors and provide a predictable enforcement mechanism. By affirming the rights of the auction buyer and the mortgagee bank, the Court sent a clear message that execution seizures grounded in valid mortgage rights cannot be unilaterally challenged without due legal process.

The ruling also clarifies that **inheritance claims** do not automatically override registered mortgage rights unless a court has definitively adjudicated ownership. In doing so, the judiciary upheld the sanctity of the mortgage registration system and the enforceability of security rights, thereby fostering trust in Indonesia's land and credit markets.

## VI. CONCLUSION

The Supreme Court Decision No. 920 K/Pdt/2020 exemplifies the judicial enforcement of mortgage rights and the affirmation of legal certainty in land right transfers conducted through public auction. The decision demonstrates the Indonesian judiciary's commitment to upholding the rights of creditors and good-faith auction purchasers, particularly when mortgage rights are properly registered and executed.

The case further highlights the legal boundaries between inheritance claims and enforceable security interests. The court's rejection of the petitioners' challenge, based solely on assertions of inherited ownership, underscores the necessity for any such claims to be legally substantiated in advance through independent proceedings.

By upholding the auction outcome and validating the mortgage-based execution, the Supreme Court reinforced the principle that **security rights must provide clear and enforceable protection to creditors**, thereby maintaining trust and stability in financial and land registration systems. Ultimately, this case contributes to the broader jurisprudence on the enforceability of security interests and strengthens the rule of law within Indonesia's civil legal framework.

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