

LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 2 OF 2012  
ON  
LAND ACQUISITION FOR DEVELOPMENT IN PUBLIC INTEREST

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that in the context of realizing a just, fair and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia, the government needs to carry out development;
  - b. that to ensure the implementation of development in the public interest, land is needed of which acquisition is carried out by prioritizing the principles of humanity, democracy and justice;
  - c. that the legislation in the field of land acquisition for development in the public interest has not been able to guarantee the acquisition of land for the implementation of development;
  - d. that based on the considerations as referred to in point a, point b, and point c it is necessary to establish a law on Land Acquisition for Development in Public Interest;

- Observing : 1. Article 5 section (1) Article 18B section (2), Article 20, Article 28G section (1), Article 28H, Article 28I section (5), Article 28J section (2), and Article 33 section (3) and section (4) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 5 of 1960 on Basic Agrarian Principles (State Gazette of the Republic of Indonesia of 1960 Number 104, Supplement to the State Gazette of the Republic of Indonesia Number 2034);

With the Joint Approval of:

THE HOUSE OF REPRESENTATIVE OF THE REPUBLIC OF INDONESIA

and

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

- To enact : LAW ON LAND ACQUISITION FOR DEVELOPMENT IN PUBLIC INTEREST.

## CHAPTER I

### GENERAL PROVISIONS

#### Article 1

In this Law:

1. Agencies mean state agencies, ministries and non-ministerial government agencies, provincial governments, regency/municipal governments, and State-Owned Legal Entities/State-Owned Enterprises that receive special assignments from the Government.
2. Land Acquisition mean the activity of providing land by giving proper and fair compensation to the entitled party.
3. Entitled Party mean the party that controls or owns the object of land acquisition.
4. Objects of Land Acquisition mean land, overground space and underground space, buildings, plants, objects related to land, or other things that can be assessed.

5. Land Rights mean land rights as referred to in Law Number 5 of 1960 on Basic Agrarian Principles and other rights to be stipulated by law.
6. Public Interest means the interest of the nation, state and society which must be realized by the government and used as much as possible for the welfare of the people.
7. Right to Manage means the right to control by the State which authority to exercise is partially delegated to the its holder.
8. Public Consultation mean a process of dialogical communication or deliberation between interested parties in order to reach an understanding and agreement in planning for land acquisition for development in the public interest.
9. Waiver of Rights means the activity of terminating the legal relationship of the entitled party to the State through the Land Agency.
10. Compensation means a proper and fair compensation to the rightful party in the land acquisition process.
11. Land Appraiser, hereinafter referred to as Appraiser, means an individual who conducts an independent and professional appraisal who has obtained a permit to practice appraisal from the Minister of Finance and has obtained a license from the Land Agency to calculate the value/price of the object of land acquisition.
12. Central Government, hereinafter referred to as the Government, means the President of the Republic of Indonesia who holds the power of government of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
13. Local Governments mean the governor, regent or mayor, and regional apparatus as elements of regional government administration.
14. Land Agency means the National Land Agency of the Republic of Indonesia, a government agency that carries out government affairs in the land sector.

CHAPTER II  
PRINCIPLES AND OBJECTIVE

Article 2

Land Acquisition in Public Interest is carried out based on the following principles:

- a. humanity;
- b. justice;
- c. benefit;
- d. certainty;
- e. transparency;
- f. agreement;
- g. participation;
- h. prosperity;
- i. sustainability; and
- j. harmony.

Article 3

Land Acquisition in Public Interest aims to provide land for the implementation of development in order to improve the welfare and prosperity of the nation, state and public while still guaranteeing the legal interests of the Entitled Party.

CHAPTER III  
PRINCIPLES OF LAND ACQUISITION

Article 4

- (1) The Government and/or Local Government guarantee the availability of land for Public Interest.
- (2) The Government and/or Local Governments guarantee the availability of funding for the Public Interest.

Article 5

The Entitled Party is obligated to relinquish its land at the time of the implementation of Land Acquisition in Public Interest after the provision of Compensation or based on a court decision that has obtained permanent legal force.

Article 6

Land Acquisition in Public Interest is carried out by the Government.

Article 7

- (1) Land Acquisition in Public Interest is carried out in accordance with:
  - a. Spatial plans;
  - b. National/Regional Development Plans;
  - c. Strategic Plan; and
  - d. Work Plan for each Agency that requires land.
- (2) In the event that Land Acquisition is carried out for oil, gas, and geothermal infrastructure, the acquisition is carried out based on the Strategic Plan and Work Plan of the Agency that requires land as referred to in section (1) point c and point d
- (3) Land Acquisition in Public Interest is carried out through planning by involving all supervisors and stakeholders.

Article 8

The Entitled Party and the party controlling the Land Acquisition Object in the Public Interest are obligated to comply with the provisions of this Law.

Article 9

- (1) The implementation of Land Acquisition in Public Interest takes into account the balance between the interests of development and public.
- (2) Land Acquisition in Public Interest is carried out by providing appropriate and fair compensation.

CHAPTER IV  
IMPLEMENTATION OF LAND ACQUISITION

Part One  
General

Article 10

Land for Public Interest as referred to in Article 4 section (1) is used for the development of:

- a. national defense and security;
- b. public roads, toll roads, tunnels, railway lines, railway stations, and railway operating facilities;
- c. reservoirs, dams, weirs, irrigation, drinking water canals, sewers and sanitation, and other irrigation structures;
- d. ports, airports, and terminals;
- e. oil, gas and geothermal infrastructures;
- f. power plants, transmissions, substations, networks, and distributions;
- g. Government telecommunications and information networks;
- h. waste disposal and processing place;
- i. Government/Local Government hospitals;
- j. public safety facilities;
- k. public cemeteries of the Government/Local Government;
- l. social facilities, public facilities, and public green open spaces;
- m. natural and cultural reserves;
- n. Government /Local Government/rural village offices;
- o. arrangement of urban slum settlements and/or land consolidation, and housing for low-income communities with rental status;
- p. education or school infrastructures of the Government/Local Government;
- q. sports infrastructure of the Government/Local Government; and
- r. public market and public parking lot.

#### Article 11

- (1) Land Acquisition for Public Interest as referred to in Article 10 is required to be carried out by the Government and the land is subsequently owned by the Government or Local Government.
- (2) In the event that the Agency requiring Land Acquisition in Public Interest as referred to in Article 10 is a State-Owned Enterprise, the land becomes the property of the State-Owned Enterprise.

Article 12

- (1) Development in the Public Interest as referred to in Article 10 point b to point r is required to be carried out by the Government and may cooperate with State-Owned Enterprises, Local-Owned Enterprises, or Private Enterprises.
- (2) In the event of the development of national defense and security as referred to in Article 10 point a, the development is carried out in accordance with the provisions of legislation.

Article 13

Land Acquisition for Public Interest is carried out through the following stages:

- a. planning;
- b. preparation;
- c. implementation; and
- d. delivery of results.

Part Two

Land Acquisition Planning

Article 14

- (1) Agencies requiring land make plans for Land Acquisition in the Public Interest according to the provisions of legislation.
- (2) Land Acquisition Planning in Public Interest as referred to in section (1) is based on the Regional Spatial Plan and development priorities listed in the National Medium-Term Development Plan, Strategic Plan, Government Work Plan of the Agency concerned.

Article 15

- (1) Land Acquisition Planning in Public Interest as referred to in Article 14 section (1) is prepared in the form of a Land Acquisition planning document, which at least contains:

- a. the aims and objectives of the development plan;
  - b. conformity with the Regional Spatial Plan and National and Regional Development Plans;
  - c. land location;
  - d. the required land area;
  - e. general description of land status;
  - f. estimated time for the implementation of Land Acquisition;
  - g. estimated period of development implementation;
  - h. estimated land value; and
  - i. budget plan.
- (2) The Land Acquisition planning document as referred to in section (1) is prepared based on a feasibility study carried out in accordance with the provisions of the legislation.
- (3) The Land Acquisition planning document as referred to in section (2) is determined by the Agency requiring the land.
- (4) Land Acquisition planning documents as referred to in section (3) are submitted to the provincial government.

### Part Three

#### Land Acquisition Preparation

##### Article 16

Agencies requiring land together with the provincial government based on the Land Acquisition planning document as referred to in Article 15 carry out:

- a. announcement of development plans;
- b. initial data collection on the location of the development plan; and
- c. Public Consultation on development plans.

##### Article 17

The announcement of the development plan as referred to in Article 16 point a is submitted to the public at the planned development location for the Public Interest, either directly or indirectly.



Article 18

- (1) Initial data collection on the location of the development plan as referred to in Article 16 point b includes the initial data collection activities of the Entitled Party and the Land Acquisition Object.
- (2) The initial data collection as referred to in section (1) is carried out within a maximum period of 30 (thirty) work days from the notification of the development plan.
- (3) The results of the initial data collection on the location of the development plan as referred to in section (1) are used as data for the implementation of the Public Consultation on the development plan as referred to in Article 16 point c.

Article 19

- (1) Public Consultation on the development plan as referred to in Article 18 section (3) is carried out to obtain agreement on the location of the development plan from the Entitled Party.
- (2) The Public Consultation as referred to in section (1) is conducted by involving the Entitled Party and the affected community and carried out at the place of the Public Interest development plan or at the agreed place.
- (3) The involvement of the Entitled Party as referred to in section (2) can be carried out through a representative with a power of attorney from and by the Entitled Party on the location of the development plan.
- (4) The agreement as referred to in section (1) is stated in the form of an agreement report.
- (5) Based on the agreement as referred to in section (4), the Agency requiring lands submits an application for determination of location to the governor.
- (6) The Governor determines the location as referred to in section (5) within a period of not later than 14 (fourteen) work days as of the receipt of the application for determination by the Agency requiring land.

Article 20

- (1) Public Consultation on the development plan as referred to in Article 19 is carried out within a maximum period of 60 (sixty) work days.
- (2) If within 60 (sixty) work days of the implementation of the Public Consultation on the development plan as referred to in section (1) there are parties who object to the planned development location, a Public Consultation conducts again with the party who objected to not later than 30 (thirty) work days.

Article 21

- (1) If in the re-Public Consultation as referred to in Article 20 section (2) there are still parties who object to the planned development location, the Agency requiring the land reports the said objection to the local governor.
- (2) The Governor forms a team to conduct assessment on objections to the development location plan as referred to in section (1).
- (3) The team as referred to in section (2) consists of:
  - a. the provincial secretary or an official appointed as chairperson concurrently a member;
  - b. Head of the Regional Office of the National Land Agency as secretary and concurrently member;
  - c. agency that handles affairs in the field of regional development planning as a member;
  - d. Head of the Regional Office of the Ministry of Law and Human Rights as a member;
  - e. regents/mayors or officials appointed as members; and
  - f. academics as members.
- (4) The team as referred to in section (3) has duties to:
  - a. take an inventory of the issues that are the reasons for the objection;
  - b. hold a meeting or clarification with the objecting party; and
  - c. make recommendations to accept or reject objections.

- (5) The results of the team review as referred to in section (2) are in the form of a recommendation to accept or reject the objection to the construction site plan within a maximum period of 14 (fourteen) work days as of the receipt of the application by the governor.
- (6) The governor based on the recommendation as referred to in section (4) issues a letter of acceptance or rejection of objections to the planned development location.

#### Article 22

- (1) In the event that the objection to the planned development location as referred to in Article 21 section (6) is rejected, the governor determines the development location.
- (2) In the event that the objection to the planned development location as referred to in Article 21 section (6) is received, the governor notifies the Agency requiring the land to submit the plan for the development location elsewhere.

#### Article 23

- (1) In the event that after the determination of the location of development as referred to in Article 19 section (6) and Article 22 section (1) there are still objections, the Entitled Party to the determination of the location may file a lawsuit to the local State Administrative Court not later than 30 (thirty) work days since the issuance of the location determination.
- (2) The State Administrative Court decides whether to accept or reject the lawsuit as referred to in section (1) within a maximum period of 30 (thirty) work days from the receipt of the lawsuit.
- (3) Parties who object to the decision of the State Administrative Court as referred to in section (2) within a maximum period of 14 (fourteen) work days may file an appeal to the Supreme Court of the Republic of Indonesia.

- (4) The Supreme Court is obligated to give a decision within 30 (thirty) work days from the receipt of the appeal request.
- (5) Court decisions which have permanent legal force are the basis for whether or not to continue the Land Acquisition for development in the Public Interest.

#### Article 24

Determination of the location of development for the Public Interest as referred to in Article 19 section (6) or Article 22 section (1) is given within 2 (two) years and can be extended for a maximum of 1 (one) year.

#### Article 25

In the event that the time period for determining the location of development in the Public Interest as referred to in Article 24 is not fulfilled, the determination of the location for the development in the Public Interest are reprocessed for the remaining land of which acquisition has not been completed.

#### Article 26

- (1) The Governor together with the Agencies requiring land announce the determination of the location of development in the Public Interest.
- (2) The announcement as referred to in section (1) is intended to inform the public that the development will be carried out in the public interest.

#### Part Four

#### Implementation of Land Acquisition

#### Paragraph 1

#### General

#### Article 27

- (1) Based on the determination of the development location in the Public Interest as referred to in Article 26 section

- (1), the Agency requiring land submits the implementation of Land Acquisition to the Land Agency.
- (2) Implementation of Land Acquisition as referred to in section (1) includes:
  - a. inventory and identification of control, ownership, use, and utilization of land;
  - b. assessment of Compensation;
  - c. deliberation on the determination of Compensation;
  - d. granting Compensation; and
  - e. release of Agency land.
- (3) After the determination of the development location for in Public Interest as referred to in Article 26 section (1), the Entitled Party can only transfer its land rights to the Agency requiring the land through the Land Agency.
- (4) The transfer of rights as referred to in section (3) is carried out by providing Compensation of which value is determined at the announcement of the location determination value.

#### Paragraph 2

#### Inventory and Identification of Control, Ownership, Use, and Utilization of Land

#### Article 28

- (1) Inventory and identification of control, ownership, use and utilization of land as referred to in Article 27 section (2) point a includes the following activities:
  - a. measurement and mapping of land area; and
  - b. data collection of Entitled Parties and Land Acquisition Objects.
- (2) Inventory and identification of control, ownership, use, and utilization of land as referred to in section (1) are carried out within a maximum period of 30 (thirty) work days.

Article 29

- (1) The results of the inventory and identification of control, ownership, use and utilization of land as referred to in Article 28 are required to be announced at the rural village/urban village office, sub-district office, and the place where Land Acquisition is carried out within a maximum period of 14 (fourteen) work days.
- (2) The results of the inventory and identification of control, ownership, use, and utilization of land as referred to in Article 28 are required to be announced in stages, partially, or completely.
- (3) Announcement of the results of the inventory and identification as referred to in section (2) includes the subject of rights, area, location, and map of the land parcel of the Land Acquisition Object.
- (4) In the event of not receiving the results of the inventory as referred to in section (3), the Entitled Party may file an objection to the Land Agency within a maximum period of 14 (fourteen) work days from the announcement of the results of the inventory.
- (5) In the event that there are objections to the results of the inventory as referred to in section (4), verification and correction are carried out within a maximum period of 14 (fourteen) work days as of the receipt of the objection to the results of the inventory.
- (6) Inventory and identification are carried out in accordance with the provisions of legislation.

Article 30

The results of the announcement or verification and repair as referred to in Article 29 are determined by the Land Agency and subsequently become the basis for determining the Entitled Party in granting Compensation.

Paragraph 3  
Compensation Assessment

Article 31

- (1) The Land Agency determines the Appraiser in accordance with the provisions of the legislation.
- (2) The Land Agency announces the Appraiser who has been appointed as referred to in section (1) to carry out the assessment of the Land Acquisition Object.

Article 32

- (1) The appointed Appraiser as referred to in Article 31 section (1) is obligated to be responsible to the assessment.
- (2) Violation of the obligation as referred to in section (1) is subject to administrative and/or criminal sanctions in accordance with the provisions of legislation.

Article 33

The assessment of the amount of Compensation value by the Appraiser as referred to in Article 32 section (1) is carried out in a field per land area, including:

- a. land;
- b. overground Space and underground space;
- c. building;
- d. plants;
- e. objects related to land; and/or
- f. other losses that can be assessed.

Article 34

- (1) The value of Compensation assessed by the Appraiser as referred to in Article 33 is the value at the time of the announcement of the determination of the development location in the Public Interest as referred to in Article 26.
- (2) The amount of Compensation value based on the results of the Appraiser's assessment as referred to in section (1) is submitted to the Land Agency with an official report.

- (3) The value of Compensation based on the results of the Appraiser's assessment as referred to in section (2) becomes the basis for deliberation on the determination of Compensation.

#### Article 35

In the event that certain land parcels affected by the Land Acquisition have residues that can no longer be functioned according to their designation and use, the Entitled Party may request a complete replacement of the land area.

#### Article 36

Compensation can be granted in the form of:

- a. money;
- b. land replacement;
- c. resettlement;
- d. shareholding; or
- e. other forms agreed by both parties.

#### Paragraph 4

#### Deliberation on Determination of Compensation

#### Article 37

- (1) The Land Agency conducts deliberation with the Entitled Party within a maximum period of 30 (thirty) work days after the results of the assessment from the Appraiser are submitted to the Land Agency to determine the form and/or amount of Compensation based on the results of the assessment of Compensation as referred to in Article 34.
- (2) The results of the agreement in the deliberation as referred to in section (1) becomes the basis for the granting of Compensation to the Entitled Party which is contained in the minutes of agreement.



Article 38

- (1) In the event that there is no agreement regarding the form and/or amount of Compensation, the Entitled Party may file an objection to the local district court within the maximum period of 14 (fourteen) work days after the deliberation on the determination of Compensation as referred to in Article 37 section (1).
- (2) The district court decides on the form and/or amount of Compensation within a maximum period of 30 (thirty) work days from the receipt of the objection.
- (3) The parties who object to the decision of the district court as referred to in section (2) within a maximum period of 14 (fourteen) work days may file an appeal to the Supreme Court of the Republic of Indonesia.
- (4) Supreme Court is obligated to give a decision within 30 (thirty) work days from the receipt of the appeal request.
- (5) The decision of the district court/Supreme Court that has obtained legal force remains the basis for payment of Compensation to the party who filed an objection.

Article 39

In the event that the Entitled Party decline the form and/or amount of Compensation, but does not file an objection within the time as referred to in Article 38 section (1), by law the Entitled Party is deemed to have accepted the form and amount of Compensation as referred to in Article 37 section (1).

Paragraph 5

Granting of Compensation

Article 40

Granting of Compensation for Land Acquisition Objects is given directly to the Entitled Party.

Article 41

- (1) Compensation is granted to the Entitled Party based on the results of the assessment determined in the deliberation as referred to in Article 37 section (2) and/or the decision of the district court/Supreme Court as referred to in Article 38 section (5).
- (2) At the time of granting Compensation, the Entitled Party receiving Compensation is obligated to:
  - a. carry out the waiver of rights; and
  - b. submit proof of control or ownership of the Land Acquisition Object to the Agency requiring the land through the Land Agency.
- (3) The proof as referred to in section (2) point b is the only valid evidence according to law and cannot be contested in the future.
- (4) The Entitled Party receiving Compensation is responsible for the correctness and validity of the evidence of control or ownership submitted.
- (5) The claim of another party on the Land Acquisition Object that has been submitted to the Agency requiring the land as referred to in section (2) becomes the responsibility of the Entitled Party receiving Compensation.
- (6) Any person who violates the provisions as referred to in section (4) is subject to criminal sanctions in accordance with the provisions of legislation.

Article 42

- (1) In the event that the Entitled Party refuses the form and/or amount of Compensation based on the results of the deliberation as referred to in Article 37, or the decision of the district court/Supreme Court as referred to in Article 38, the Compensation is deposited in the local district court.
- (2) Custody of Compensation other than those as referred to in section (1), is also carried out against:

- a. the Entitled Party's existence receiving Compensation are unknown; or
- b. Land Acquisition Objects that will be granted Compensation:
  1. being the object of a case in court;
  2. ownership is still disputed;
  3. to be confiscated by the competent authority; or
  4. being a collateral in the bank.

#### Article 43

At the time of the implementation of the granting of Compensation and Waiver of Rights as referred to in Article 41 section (2) point a has been carried out or the granting of Compensation has been deposited in the district court as referred to in Article 42 section (1), ownership or Land Rights of the Entitled Party become null and void and the evidence of their rights is declared invalid and the land becomes land controlled directly by the state.

#### Article 44

- (1) The Party Entitled receiving Compensation or the Agency acquiring land in Land Acquisition in Public Interest may be given tax incentives.
- (2) Further provisions regarding tax incentives are regulated by the Government or Local Governments in accordance with their respective authority.

#### Paragraph 6

#### Release of Agency Land

#### Article 45

- (1) The release of Land Acquisition Objects in Public Interest owned by the government is carried out in accordance with the provisions of legislation governing the management of state/regional assets.
- (2) The release of Land Acquisition Objects in Public Interest controlled by the government or controlled/owned by

State-Owned Enterprises/Local-Owned Enterprises is carried out based on this Law.

- (3) The release of the Land Acquisition Object as referred to in section (1) and section (2) is carried out by an authorized official or an official given the delegation of authority for that purpose.

#### Article 46

- (1) The release of the Land Acquisition Object as referred to in Article 45 section (1) and section (2) is not granted Compensation, except:
  - a. Land Acquisition Objects that have buildings that are used actively for the implementation of government duties;
  - b. Land Acquisition Objects owned/controlled by State-Owned Enterprises/Local-Owned Enterprises; and/or
  - c. rural village treasury Land Acquisition Object.
- (2) Compensation for Land Acquisition Objects as referred to in section (1) point a and point c are granted in the form of land and/or building or relocation.
- (3) Compensation for the object of Land Acquisition as referred to in section (1) point b may be granted in the form as referred to in Article 36.
- (4) The compensation value as referred to in section (2) and section (3) is based on the results of the compensation assessment as referred to in Article 34 section (2).

#### Article 47

- (1) The release of the Land Acquisition object as referred to in Article 45 and Article 46 is carried out not later than 60 (sixty) work days after the determination of the development location in the Public Interest.
- (2) If the release of the Land Acquisition object has not been completed within the time as referred to in section (1), the land is declared to have been released and becomes state land and can be directly used for development in the public interest.

- (3) Officials who violate the provisions as referred to in section (1) are subject to administrative sanctions in accordance with the provisions of the legislation.

#### Part Five

#### Submission of Land Acquisition Results

#### Article 48

- (1) The Land Agency submits the results of the Land Acquisition to the Agency requiring land after:
  - a. the granting of Compensation to the Entitled Party and the Waiver of Rights as referred to in Article 41 section (2) point a has been implemented; and/or
  - b. the granting of Compensation has been deposited in the district court as referred to in Article 42 section (1).
- (2) Agencies requiring land may start carrying out development activities after handing over the results of the Land Acquisition as referred to in section (1).

#### Article 49

- (1) Land Acquisition in the Public Interest due to urgent circumstances due to natural disasters, wars, widespread social conflicts, and outbreaks can be directly implemented after the establishment of the development location in the Public Interest.
- (2) Prior to the determination of the development location in the Public Interest as referred to in section (1), a notification is submitted to the Entitled Party first.
- (3) In the event that there are objections or lawsuits over the implementation of Land Acquisition, the Agency requiring land can still carry out development activities as referred to in section (1).

#### Article 50

Agency acquiring land is obligated to register land that has been acquired in accordance with the provisions of legislation.

Part Six  
Monitoring and Evaluation

Article 51

- (1) Monitoring and evaluation of the implementation of Land Acquisition in Public Interest as referred to in Article 13 is carried out by the Government.
- (2) Monitoring and evaluation of the results of the submission of Land Acquisition in Public Interest that has been obtained, as referred to in Article 48 section (1) is carried out by the Land Agency.

CHAPTER V  
SOURCES OF LAND ACQUISITION FUND

Part One  
Source of Funding

Article 52

- (1) Funding for Land Acquisition for Public Interest is sourced from the State Budget (APBN) and/or Local Budget (APBD).
- (2) In the event that the Institutions requires land of a State-Owned Legal Entity/State-Owned Enterprise that gets a special assignment, the funding comes from internal companies or other sources in accordance with the provisions of legislation.
- (3) The special assignment as referred to in section (2) is in accordance with the provisions of legislation.

Article 53

- (1) The Land Acquisition Fund as referred to in Article 52 includes the following funds:
  - a. planning;
  - b. preparation;
  - c. implementation;
  - d. submission of results;

- e. administration and management; and
  - f. dissemination.
- (2) Funding for Land Acquisition for Public Interest is carried out by the Institutions and is stated in the budgeting document in accordance with the provisions of legislation.
- (3) Provisions regarding the mechanism for implementing Land Acquisition funding for Public Interest is regulated by a Presidential Regulation.

## Part Two

### Provision and Use of Funding

#### Article 54

Guaranteed availability of funding for Land Acquisition for Public Interest is allocated by the Institutions in accordance with the provisions of the legislation.

## CHAPTER VI

### RIGHTS, OBLIGATIONS, AND COMMUNITY PARTICIPATION

#### Article 55

In the implementation of Land Acquisition, the Entitled Party has the right:

- a. to know the plan for the implementation of Land Acquisition; and
- b. to obtain information regarding Land Acquisition.

#### Article 56

In the implementation of Land Acquisition for Public Interest, any person is obligated to comply with the provisions of Land Acquisition for Development in the Public Interest.

#### Article 57

In the implementation of Land Acquisition for Public Interest, the community can participate, among others:

- a. provide input verbally or in written regarding Land Acquisition; and
- b. provide support in the implementation of Land Acquisition.

## CHAPTER VII TRANSITIONAL PROVISIONS

### Article 58

At the time this Law comes into force:

- a. the land acquisition process which was being carried out prior to the enforcement of this Law was completed based on the provisions prior to the enforcement of this Law;
- b. the remaining land whose procurement has not been completed in the Land Acquisition process as referred to in point a, the procurement is completed based on the provisions regulated in this law; and
- c. legislation regarding procedures for Land Acquisition are declared to remain in effect as long as they do not conflict or have not been replaced with new ones based on the provisions of this Law.

## CHAPTER VIII CLOSING PROVISIONS

### Article 59

Further provisions regarding the implementation of Land Acquisition for Development in the Public Interest are regulated by a Presidential Regulation.

### Article 60

The implementing regulations of this Law must be issued not later than 1 (one) year since this Law is promulgated.

### Article 61

This Law comes into force on the date of its promulgation.



In order that every person may know hereof, it is ordered to promulgate this Law in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta  
on 14 January 2012

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed.

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta  
on 14 January 2012

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

Signed.

AMIR SYAMSUDDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2012 NUMBER 22

Jakarta, 18 October 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 AD INTERIM,

DHAHANA PUTRA

ELUCIDATION  
OF  
LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 2 OF 2012  
ON  
LAND ACQUISITION FOR DEVELOPMENT IN PUBLIC INTEREST

I. GENERAL

In the context of realizing a just, welfare and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia, the government needs to carry out development.

One of the development efforts within the framework of national development organized by the Government is development in the public interest. The development for the public interest requires land whose acquisition is carried out by prioritizing the principles contained in the 1945 Constitution of the Republic of Indonesia and the national land law, including the principles of humanity, justice, benefit, certainty, openness, agreement, participation, welfare, sustainability, and harmony in accordance with the values of the nation and state.

National land law recognizes and respects community rights to land and objects related to land, as well as gives public authority to the state in the form of the authority to make arrangements, make policies, carry out management, as well as organize and carry out supervision as stated in the main points of Land Acquisition. as follows:

1. The Government and Local Governments guarantee the availability of land for public purposes and their funding.
2. Land Acquisition in Public Interest is carried out in accordance with:
  - a. Spatial plans;
  - b. National/Regional Development Plans;

- c. The strategic plan; and
  - d. Work Plan for each Institution that requires land.
3. Land Acquisition is carried out through planning involving all stakeholders and stakeholders.
  4. The implementation of Land Acquisition pays attention to the balance between the interests of development and the interests of the community.
  5. Land Acquisition in Public Interest is carried out by providing appropriate and fair compensation.

## II. ARTICLE BY ARTICLE

### Article 1

Sufficiently clear.

### Article 2

#### Point a

The term "principle of humanity" means that Land Acquisition must provide proportional protection and respect for human rights, dignity and worth of every citizen and resident of Indonesia.

#### Point b

The term "principle of justice" means to provide a guarantee of proper compensation to the Entitled Party in the Land Acquisition process so that they get the opportunity to be able to live a better life.

#### Point c

The term "principle of benefit" means that the results of Land Acquisition are able to provide broad benefits for the interests of the community, nation and state.

#### Point d

The term "principle of certainty" means that giving legal certainty of land availability in the process of Land Acquisition for development and guarantee to Entitled Party to obtain appropriate Compensation.

Point e

The term “principle of transparency” means that Land Acquisition for development is carried out by providing access to the public to obtain information related to Land Procurement.

Point f

The term "principle of agreement" means that the Land Acquisition process is carried out by deliberation of the parties without the element of coercion to obtain a mutual agreement.

Point g

The term "principle of participation" means support in the implementation of Land Acquisition through community participation, either directly or indirectly, from planning to development activities.

Point h

The term "principle of prosperity " means that Land Acquisition for development can provide added value for the survival of the Entitled Party and the community at large.

Point i

The term "principle of sustainability" means that development activities can take place continuously, continuously, to achieve the expected goals.

Point j

The term "principle of harmony" means that Land Acquisition for development can be balanced and in line with the interests of public and the state.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Section (1)

Sufficiently clear.

Section (2)

The term “oil, gas and geothermal infrastructure” means infrastructure related to upstream oil and gas business activities which include exploration, exploitation, transmission, and/or distribution activities.

The characteristics of oil, gas and geothermal activities contain high uncertainty. The need for land for exploration, exploitation, transmission, and/or distribution cannot be determined with certainty from the outset so that planning flexibility is needed to ensure the effectiveness of controlling oil, gas and geothermal as natural resources and strategic and vital development resources.

Section (3)

The term "interest supervisors " are among others traditional leaders and religious leaders.

The term “stakeholder” means a person or party who has an interest in the object of land release, such as the Entitled Party, the government, and the public.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term "dams" means a building in the form of soil backfill, stone backfill, concrete, and/or masonry that is built in addition to holding and storing water but also to hold and accommodate mining waste (tailings) or mud so that a reservoir is formed.

The term "weir" means an embankment to hold water in rivers, seaside, and so on.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

The term "waste" means waste in accordance with the law governing waste management.

Point i

Sufficiently clear.

Point j

The term "public safety facilities" means all facilities needed to cope with the consequences of a disaster, including emergency hospitals, emergency shelter houses, and embankments to overcome flood, lahar, and landslide hazards.

Point k

Sufficiently clear.

Point l

The term "public green open space" means green open space in accordance with the law regulating spatial planning.

Point m

Sufficiently clear.

Point n

The term "Government office/ Local Government /rural village government offices" means facilities and infrastructure to carry out government functions, including correctional institutions, state detention houses, and technical implementing units of other correctional institutions.

Point o

The term " housing for low-income communities " means public housing built on Government or Local Government land and the occupants are given the status of rental houses.

Point p

Sufficiently clear.

Point q

Sufficiently clear.

Point r

The term "public market and public parking lot" means markets and parking lots that are planned, implemented, managed and owned by the Government and/or Local Governments and their management can be carried out in cooperation with State-Owned Enterprises, Local-Owned Enterprises, or private business.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Section (1)

The preparation of the Land Acquisition planning document can be carried out jointly by the Agency that requires the land together with the relevant technical agencies or can be assisted by a professional institution appointed by the Agency requiring land.

Section (2)

Feasibility studies include:

- a. socio-economic survey;
- b. location feasibility;
- c. analysis of development costs and benefits for the region and the community;
- d. estimated land value;
- d. environmental impacts and social impacts that may arise as a result of Land Acquisition and development; and
- e. other studies are needed.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Direct notification, among others, through dissemination, face-to-face, or notification letters.

Indirect notification, among others, through print media or electronic media.



Article 18

Sufficiently clear.

Article 19

Section (1)

In Public Consultation, Agencies requiring land explain development plan and the method of calculation of Compensation that will be carried by Appraiser.

Section (2)

The term “the affected community” for example is abuts on the location of Land Acquisition directly.

Section (3)

The term “power of attorney” means power of attorney to represent public consultation in accordance with the provisions of legislation.

The term “from and by the Entitled Party” means is the recipient of the power of attorney and the authorizing party are both from the Entitled Party.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 20

Section (1)

Sufficiently clear.

Section (2)

Parties who object to the planned development location submit it in writing along with the reasons for the objection.

Article 21

Section (1)

Sufficiently clear.

Section (2)

The term "assessment on objections to the development location plan " means a study of the objection documents submitted by the Entitled Party.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

The term "remaining land" means land whose rights have not been relinquished from the Entitled Party until the period of determination of location expires.

For the remaining land, if the Agency requiring land the land still needs the land, the Land Acquisition process must be submitted from the beginning. This is intended to ensure the validity of the remaining Land Acquisition.

Article 26

Sufficiently clear.

Article 27

Section (1)

Land Acquisition is principally carried out by the Land Agency, which in its implementation may involve or coordinate with the provincial government or reGENCY/municipality governments.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The term "announcement of location determination value" means that the Appraiser in determining Compensation is based on the value of the Land Acquisition Object on the date of announcement of location determination.

Article 28

Inventory and identification are carried out to identify the Entitled Party and the Land Acquisition Object. The results of the inventory and identification contain a list of the nominations of Entitled Parties and Land Procurement Objects. The Entitled Party includes the name, address, and occupation of the party who controls/owns the land. Land Procurement Objects include the location, area, status, and types of land use and utilization.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Section (1)

The provisions of legislation mean provisions regarding the procurement of goods/services for government agencies.

Section (2)

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

The term "other losses that can be assessed" means non-physical losses that can be equivalent to the value of money, for example losses due to loss of business or work, costs of moving places, costs of professional transfer, and the value of residual property.

Article 34

Sufficiently clear.

Article 35

The term " that can no longer be functioned " means a land area that can no longer be used according to its original designation and use, for example a residential house which is divided so that part of it cannot be used as a residential house. In connection with this, the party who controls/owns the land may ask for Compensation for the entire land.

Article 36

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term "resettlement" means the process of providing replacement land to the Entitled Party to another location in accordance with the agreement in the Land Acquisition process.

Point d

The term "form of compensation through shareholding " means the participation of shares in development activities for the related public interest and/or management based on an agreement between parties.

Point e

Other forms agreed by both parties, for example a combination of 2 (two) or more forms of Compensation as referred to in letter a, letter b, letter c, and letter d.

Article 37

Sufficiently clear.

Article 38

Section (1)

Sufficiently clear.

Section (2)

As a consideration in deciding the decision on the amount of Compensation, the stakeholders may present expert witnesses in

the field of assessment to hear their opinions as a comparison for the assessment of Compensation.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

The provision of Compensation in principle must be submitted directly to the Entitled Party to Compensation. If unable to do so, the Entitled Party by law may grant power of attorney to another party or heirs. The power of attorney can only receive power of attorney from one person who is entitled to Compensation.

Those entitled include:

- a. land rights holders;
- b. rights to holders;
- c. nadzir, for waqf land;
- d. owners of lands belonging to customs;
- e. customary law communities;
- f. parties who control state land in good faith;
- g. the holder of the basic control over the land; and/or
- h. owner of buildings, plants or other objects related to land.

In its provisions, Compensation is given to the holder of Land Rights. For building use rights or usufructuary rights located on land that does not belong to them, compensation is given to the holder of building use rights or usufructuary rights over buildings, plants, or other objects related to the land their owns, while compensation for the land is given to the holder of property rights or management rights.

Compensation for customary land rights is given in the form of replacement land, resettlement, or other forms agreed by the customary law community concerned.

The party who controls state land that can be given Compensation is the user of state land that complies with or does not violate the provisions of the legislation. For example, former rights holders whose time period has expired are still using or utilizing the land in question, parties who control state land on a lease basis, or other parties who use or utilize state land freely without violating the provisions of laws and regulations.

The term "the holder of the basic control over the land" means the party who has the evidence issued by the authorized official proving the existence of the relevant control over the land in question, for example the holder of the deed of sale and purchase of land rights that has not been reversed, the holder of the deed of sale purchase of customary property rights which have not yet been issued certificates, and holders of permits to inhabit.

Buildings, plants, or other objects related to land that are not or not owned with Land Rights, Compensation is given to the owners of buildings, plants, or other objects related to land.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Section (1)

Sufficiently clear.

Section (2)

The term "State-Owned Legal Entity" is for example the Executive Agency for Upstream Oil and Gas Business Activities (BPMIGAS). The term "State-Owned Enterprises" is for example the State Electricity Company (PLN).

Section (3)

Sufficiently clear.

Article 53

Sufficiently clear.



Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Sufficiently clear.

Article 57

Point a

Sufficiently clear.

Point b

The term "support" means approving the program and facilitating the Land Acquisition process.

Article 58

Sufficiently clear.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Sufficiently clear.