



## ***Restitutio in Integrum* in the Cancellation of Land Sale and Purchase Deeds Due to *Wanprestasi* (Breach of Contract): Legal Protection Analysis and Socio-Legal Implications for Third-Party Consumers**

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**Abstract**

**Background:** *Wanprestasi* (breach of contract) as a cause of land transaction disputes is a persistent and recurring problem in the governance of the agrarian legal system in Indonesia. The use of irrevocable powers of attorney to facilitate one-sided title transfers is a common manifestation of this issue.

**Objective:** The purpose of this paper is to analyze the mechanism of legal protection for the seller in the land transaction dispute involving fundamental *wanprestasi* and bad faith, with a case study of Supreme Court Decision No. 2134 K/Pdt/2024.

**Methods:** This article uses a normative juridical approach with a case study, focusing on Supreme Court Decision No. 2134 K/Pdt/2024 as the primary legal material, in addition to *KUHPerdata* Articles 1243–1248 (on compensation), 1320 (on the requirements for the validity of a contract), 1338 (on the general principles of good faith), and 1464 (on the retention of a down payment).

**Results:** The *AJB* (sale and purchase deed) and *PPJB* (binding sale and purchase agreement) should have been nullified (*ex tunc*/retroactive) since the buyer failed to pay the remaining balance of Rp2 billion—having only tendered Rp10.00 (ten rupiah)—and submitted falsified blank account documents. The court confirmed that the retention of the Rp2.32 billion seller's deposit was an essential protection measure to compensate for moral and material damages, as stipulated in Article 1464 of the Civil Code.

**Conclusion:** This jurisprudence enhances seller protection against predatory property development practices but highlights a significant gap in consumer protection within the existing land registration system. This study recommends legislative harmonization between the restitution provisions of the Civil Code and the Consumer Protection Law (*UUPK*).

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## INTRODUCTION

The agrarian legal system in Indonesia has its own rules for buying and selling land, as they are based on customary law, which was later codified in the Basic Agrarian Law (UUPA) No. 5/1960. The "cash and clear" guideline is the most important. This rule states that the transfer of land rights must occur when the sale and purchase is made in front of a Land Deed Official (PPAT). This must be done with full payment (cash) and in a clear and open process. PPAT is a public official authorized to make deeds of transfer of land rights and deeds of encumbrance of land rights, as regulated in PP No. 37/1998 in conjunction with PP No. 24/2016.

It is important to note that real estate transactions are seldom a one-step transaction. In the real world, it has become common practice for parties to commence the process with a Sale and Purchase Binding Agreement (PPJB), along with ancillary documents such as a Power of Attorney to Impose Mortgage (SKMHT) or, as this article will further discuss, a Power of Attorney to Sell (SKM) in the form of a notarial deed. This sequence ultimately concludes with the signing of the Sale and Purchase Deed (AJB) issued by an Authorized Land Deed Official (PPAT) if the rights to the land are to be registered.

These legal occurrences take place under a body of laws and regulations that offer legal protection, certainty, and justice. As a state of law (*rechtsstaat*), as stated in the 1945 Constitution of the Republic of Indonesia (hereinafter referred to as UUD 1945), Indonesia guarantees legal certainty, order, and protection based on truth and justice. In fact, the Indonesian legal system upholds principles that predominantly ensure legal certainty and protection. The UUD 1945 stipulates in Article 28D paragraph (1) that: "Every person shall have the right to recognition, guarantees, protection, and fair legal certainty, as well as equal treatment before the law." This principle is reinforced by Article 27 paragraph (1) of the UUD 1945, which guarantees equality before the law: "All citizens shall be equal before the law and the government and shall be required to uphold the law and the government without exception."

Contracts and legal obligations occurring within society are governed by the Civil Code (*Kitab Undang-Undang Hukum Perdata*) and relevant regulations, specifically: the Basic Agrarian Law (UUPA No. 5 of 1960); Law No. 2 of 2014 concerning the Amendment of Law No. 30 of 2004 concerning Notary Position (hereinafter referred to as UUJN); Government Regulation No. 37 of 1998 concerning the Regulation of the Land Deed Official Position (PP 37/1998 jo. PP 24/2016); and Regulation of the Minister of Agrarian Affairs/Head of BPN No. 3 of 1997 concerning the Implementing Provisions of Government Regulation No. 24 of 1997 concerning Land Registration (Permen 3/1997).

Yet, the optimal conditions described by these standards often do not match reality. Legal provisions meant to provide certainty stand in stark contrast to evolving practices, causing a discrepancy between what should be (*das sollen*) and the actual practices (*das sein*). In today's business dynamics, there are more written and broken agreements. Often, the Sale and Purchase Deed (AJB) signing is done in front of a Land Deed Official (PPAT) even though the buyer has not paid off all the payments. The seller is put in a very insecure position because, juridically, ownership is already transferred (title transfer), while economically, the seller's rights are not satisfied. This puts the seller at a distinct legal disadvantage. In many cases, the land has already changed ownership or has even been registered under the buyer's name at the Land Office (BPN) even though the buyer has not paid the remaining obligations (breach of contract). Often, defaults by the buyer in payment have occurred due to non-compliance with the principle of cash (*asas tunai*).

One case study that is highly relevant with regard to this issue is the Supreme Court Decision Number 2134 K/Pdt/2024, dated July 25, 2024, which affirms that a buyer's breach of contract (*wanprestasi*) constitutes a valid legal basis (*grond*) for the annulment of the Sale and Purchase Deed (AJB), the Sale and Purchase Binding Agreement (PPJB), and the Power of Attorney to Sell (SKM). The study also reviews the legal context of two previous decisions: the Depok District Court Decision (No. [case number requires verification]/Pdt.G/2022) and the Bandung High Court Decision (No. 204/PDT/2023/PT BDG).

The legal reality (*das sein*) revealed in the Supreme Court Decision shows a deviation from the values of legal certainty. Despite agreeing to a series of deeds, starting with PPJB No. 02 and SKM No. 03 on June 2, 2014, under an installment payment scheme, the Buyer defaulted by failing

to settle the remaining balance. The Buyer also misused the SKM (issued at the start of the process) to unilaterally execute AJB No. 117/2016 without the Seller's knowledge and without full payment. This resulted in a loss of protection for the Seller: while the ownership rights had formally transferred in a legal sense, the material right to receive payment had not been fulfilled.

**Table 1.** Chronologies

Case Stage	Timeline/Date	Legal Documents/Deeds	Key Events & Details
Initial Agreement	6/2/2014	PPJB No. 02 & SKM No. 03	Agreement to sell land in Depok for IDR 12,536,000,000.
Installment Period	2014 – 2016	Payment Receipts	The Buyer paid a down payment but defaulted on the remaining balance.
Unilateral Legal Act	5/4/2016	AJB No. 117/2016	The Buyer misused SKM No. 03 to create the final Deed (AJB) before a Land Official (PPAT) without the Seller's presence or full payment of the sale price.
District Court Dispute	Dec 22, 2022	Civil Lawsuit (PN Depok)	The Seller sued to annul the AJB because the payment obligation was never met.
High Court Dispute	April 10, 2024	Appeal (PT Bandung)	The legal process continued as the buyer challenged the initial ruling.
Final Verdict	July 25, 2024	MA Decision No. 2134 K/Pdt/2024	Final Ruling: The Supreme Court nullified all documents (PPJB, SKM, and AJB).

The philosophical foundation of legal protection is articulated by Satjipto Rahardjo (2006), who defines it as: "Providing shelter (*pengayoman*) to human rights that have been violated by others, ensuring the community can enjoy all rights provided by the law." According to Bernard et al. (2010) law possesses three competing fundamental values: Justice (*Gerechtigkeit*), Utility/Expediency (*Zweckmäßigkeit*), and Legal Certainty (*Rechtssicherheit*). For Radbruch, legal certainty (embodied in positive law/statutes) and justice are absolute requirements of law. Echoing Radbruch, constitutional law expert Jimly Asshiddiqie (2006) notes that law generally serves three main objectives: Justice: Equivalent to balance, propriety, and fairness; Certainty: Pertaining to order and tranquility; Utility: Expected to guarantee that all values manifest in peaceful coexistence.

Other scholars, such as Soemadinigrat (2009) divide legal certainty into two aspects: first, the existence of general legal rules so individuals know which actions are permitted or prohibited; and second, the legal security of individuals against government arbitrariness. Similarly, Apeldoorn (1958) discusses the concept of legal certainty (*rechtszekerheid*) in two dimensions: law must be determinable (*bepaalbaarheid*) in concrete cases, and there must be legal security protecting individuals from arbitrary actions, particularly by judges.

According to Mertokusumo (1996) legal certainty is not merely the text within regulations (law in the books); rather, it is a guarantee that the rights of legal subjects can truly be fulfilled and that court decisions can be tangibly enforced in social practice. Without concrete enforcement, the law lacks effective force as a behavioral guideline for individuals.

Furthermore, Kelsen (2019) bases his construction of a 'juridical order' on the concept of *Stufenbau* (the hierarchy of norms). In this construction, the system of laws and regulations is organized into a pyramid structure, with the *Grundnorm* (the basic norm) serving as its ultimate validator. This juridical order provides legal certainty for society.

The principle of *restitutio in integrum* is a fundamental tenet of civil law aimed at restoring parties to their original position prior to the occurrence of an annulled legal act or a damaging event. Etymologically, *restitutio in integrum* is derived from Latin, meaning "restoration to the

original condition." In legal terminology, this principle refers to a court's action in voiding a contract or transaction and ordering the parties to be returned to their previous legal relationship, as if the contract had never existed. According to Campbel (2018) *Restitutio in integrum* is defined as: "In the civil law, restoration or restitution to the previous condition. This was effected by the praetor on equitable grounds, at the prayer of an injured party, by rescinding or annulling a contract or transaction valid by the strict law, or annulling a change in the legal conditions produced by an omission, and restoring the parties to their previous situation or legal relation..."

In particular, Indonesian jurists emphasize the implementation of this principle within the national legal system. Unlike criminal law, the main purpose of civil law is not the imposition of sanctions but rather the restoration of the disturbed state (balance) arising from the civil case (Harahap, 2018). In cases where an agreement is annulled, all rights and obligations must revert to their original state. Mertokusumo (1996) states that in civil cases, judges must fundamentally strive to return the parties to their initial positions to achieve substantive justice. Judicial considerations must reflect legal reasoning that evaluates the facts to restore injured rights. However, the application of this principle is not straightforward. Harahap (2018) cautions that implementing a *restitutio in integrum* ruling is difficult because it requires an effective real execution (*eksekusi riil*) mechanism. This is because this type of restoration involves physical actions and is not merely a matter of paying money.

*Force Majeure* is regulated under Articles 1244 and 1245 of the Indonesian Civil Code (KUHPer). These articles function as a limitation on the principle of *pacta sunt servanda* (contracts are binding), as stipulated in Article 1338 of the KUHPer. According to Article 1244 of the KUHPer:

*"If there is a basis for it, the debtor shall be ordered to compensate for costs, damages, and interest if they cannot prove that the non-performance or delayed performance of the obligation was caused by an unforeseen event for which they cannot be held responsible, provided that there was no bad faith on their part."*

In a *force majeure* situation, a debtor is granted dispensation from fulfilling their obligations due to an unforeseen circumstance. If forced to comply, the debtor faces extreme physical or legal hardship. Therefore, in *force majeure*, the obstacle must not be economic. Physical obstacles include natural disasters that disrupt transportation and prevent timely delivery. Legal obstacles may arise from sudden changes in regulations directly related to a contract's subject matter. For example, a contract's object may have been previously legal but is subsequently declared prohibited. Essentially, *force majeure* does not recognize economic difficulties, such as a debtor being burdened by debt or bankruptcy, as a valid reason.

According to Subekti (2005) *force majeure* (*keadaan memaksa*) is defined as: "A justification for being released from the obligation to pay damages, where the failure to fulfill a promise is caused by an event that was entirely unforeseen at the outset."

The definition of Good Faith according to the results of the National Civil Law Symposium organized by the National Legal Development Agency (BPHN) in 1981 provides that it encompasses (Priyono, 2017): (a) Honesty at the time of entering into the contract; (b) At the formation stage, it is emphasized that if a contract is executed before an official, the parties are presumed to be acting in good faith (though some scholars disagree with this presumption), and (c) Propriety during the execution stage, which serves as an evaluation of the parties' behavior in fulfilling their agreed obligations, specifically intended to prevent improper conduct during the performance of the contract.

According to Campbel (2018) Good Faith is defined as: "An intangible and abstract quality with no technical meaning or statutory definition, and it encompasses, among other things, an honest belief, the absence of malice and the absence of design to defraud or to seek an unconscionable advantage... In common usage this term is ordinarily used to describe that state of mind denoting honesty of purpose, freedom from intention to defraud, and, generally speaking, means being faithful to one's duty or obligation."

According to J. Satrio (1995) good faith (*te goeder trouw*) operates through a triad of essential functions: the interpretative function, which compels judges to look past literal grammar to the honest and rational intent of the parties frequently applying the *contra proferentem* rule to resolve ambiguities against the drafter; the supplementing function (*aanvullende werking*), which infuses contracts with unwritten duties such as confidentiality or a "duty to warn" whenever

equity demands; and the derogating or limiting function (*beperkende werking*), the most radical of the three, which empowers courts to set aside or nullify "unconscionable" clauses such as predatory interest rates or disproportionate penalties when their strict enforcement would result in an intolerable injustice that contradicts the very essence of fairness.

As stated in Article 1338 of the Indonesian Civil Code (KUHPerdata), this principle states that all agreements are valid and must be carried out in good faith. Specifically, a strict definition means that it is about being reasonable and appropriate, but broadly it is about doing what is done in society (Hartono, 2021). While in some contexts good faith may seem merely a moral principle, under contract law, it is legally obligating to every person entering a contract as a seller or as a buyer (Muskibah & Hidayah, 2020).

First, most of the previous studies regarding *wanprestasi*, including PPJB (Afifah, 2020; Zakia, 2020), do not situate their analyses to achieve a mutual understanding with respect to *wanprestasi*; Second, one of the main variables in *wanprestasi* within PPJB namely, the three (3) conditions that must be satisfied has not yet been tested together; Third, notary accountability in deed cancellations is omitted in prior studies in a combined sense (Paramaningrat Manuaba et al., 2018; Sabrina & Musyafah, 2024). First, no other study has focused on the socio-legal impact of *restitutio in integrum* on third-party consumers in the post-2024 jurisprudential environment. Second, the relationship between *ex tunc* cancellation and the good-faith buyer principle as implemented in the Indonesian land registration system under PP No. 24/1997 has not been approached from a governance perspective relevant to public legal systems. Third, the policy gap between the restitution framework of the Civil Code and the Consumer Protection Law (UUPK No. 8/1999) in multi-party property transactions has not been addressed in the existing scholarship. This research is timely because the rapidly growing urban property market in Indonesia is characterized by structural information asymmetries leading to systematic disadvantages to sellers and downstream consumers in developer-led land transactions. The innovation of this study is the combination of doctrinal and socio-legal analyses, approaching Decision No. 2134 K/Pdt/2024 not as a precedent in private law only, but as a governance signal for reforming land transaction protection law in Indonesia.

## METHOD

This research used normative juridical (doctrinal) legal research methodology, because the analysis was solely based on secondary legal materials, namely court decisions, statutory texts, and legal doctrine, with zero primary data collection. The analysis was organized in three complementary approaches: (1) the statute approach, which methodically analyzed KUHPerdata Articles 1243–1248, 1320, 1338, and 1464; UUPA No. 5/1960; PP No. 24/1997; and UUJN No. 2/2014 as the normative basis governing the case; (2) the case approach, which analyzed Supreme Court Decision No. 2134 K/Pdt/2024 along with its lower court precedents (PN Depok No. 55/Pdt.G/2022; PT Bandung No. 204/PDT/2023) to identify the ratio decidendi and its doctrinal implications; and (3) the conceptual approach, which drew on the theories of legal protection (Satjipto Rahardjo), legal certainty (Radbruch; Hans Kelsen), good faith in contracts (J. Satrio), and *restitutio in integrum* (Sudikno Mertokusumo) to construct an analytical framework. Legal analysis techniques included grammatical interpretation, systematic interpretation, and teleological interpretation of the relevant legal norms. Primary legal materials included the three judicial decisions named above; secondary legal materials included the academic monographs and journal articles cited throughout; tertiary materials included Black's Law Dictionary and KBBI.

## RESULTS AND DISCUSSION

### Results

#### *Juridical Analysis of Bad Faith in Land Transactions*

Previous research analyzed the function of the principle of good faith as a controlling instrument in standard contracts that tend to be unilateral ('take it or leave it'). The study concluded that violations of the principle of good faith may result in the annulment of the agreement, in order to preserve the balance of positions between the parties (Priyono, 2017).

One of the aspects most emphasized in Decision 2134 K/Pdt/2024 is the judge's assessment of the buyer's bad faith (bad faith). The court argued that Puryanto could not be classified as a good-faith buyer. In Indonesian land law, legal protection is granted exclusively to good-faith buyers those who purchase land with valid procedures, a reasonable price, and no knowledge of defects in the object or the seller's authority. Signs that Puryanto No node Bad Faith Court Bad faith in this case is no longer presumed but proven through a series of actions that harm the seller and cause legal uncertainty. The judge's analysis revolved around two key elements: the use of invalid payment instruments and the premature physical possession of the property:

- a. Use of Empty Checks to Facilitate Creation of AJB and Transfer of Title: In making its case, the plaintiff presented testimony during the court proceedings that demonstrated how the buyer used empty checks against the seller to give the impression that she had paid the seller any money owed to effectively carry out the AJB and title transfer.
- b. Transfer of title too early: When the remaining payment approached billions of rupiah, it was performed the title transfer, this is an act who violate decency and also violate the principle of honest in the contract.
- c. A disregard for the original owner's rights was shown if the owner engaged in physical construction and/or sold units to third parties on a piece of land that had not yet been economically settled.
- d. Flouting of Warnings in Writing: There appeared to be no intention to settle debts since there were various chances through a warning in writing (*pacta sunt servanda*).

On the other hand, based on Supreme Court case law, a buyer who has not sufficiently investigated the status of the land, and who has not verified whether he has sufficient financial ability to afford to pay for the land, or a buyer who acts in bad faith, cannot be legally protected. In this case, Puryanto's actions in selling units to consumers on land whose acquisition basis was still problematic created a juridical "time bomb" that ultimately harmed those consumers. The judge assessed that protecting such a buyer would damage the integrity of land law and encourage unhealthy land speculation practices.

#### *Implementation of Restitutio in Integrum in the Verdict*

The application of the *restitutio in integrum* principle in Decision 2134 K/Pdt/2024 was realized through the cancellation of all legal instruments serving as the basis for the transfer of rights. The court granted Lusy Hariati's counter-claim (*rekonvensi*) and declared PPJB Deed Number 09 and AJB Deed Number 517/2020 void by law with all its legal consequences. Akbar's research Akbar (2022) states that if the principal agreement (PPJB) is annulled due to breach of contract, any subsequent transfer of rights loses its legal basis. Consequently, the restoration of the original owner's name in the land certificate constitutes a lawful and necessary legal action. This aligns with Koriahningsih's research, which supports the application of the principle of *restitutio in integrum* as an effort to restore the civil rights of victims of breach of contract (Sitanggang et al., 2024). The study emphasizes that recovery should not be confined to monetary compensation, but must also involve concrete measures to reclaim property rights that were unlawfully transferred."

#### *Retroactive Consequences of Deed Cancellation*

The *ex tunc* cancellation resulted in the legal state being returned as if the sale and purchase transaction had never occurred. The real impact of applying this principle includes several firm real and administrative execution steps to restore the seller's rights.

- a. Cancellation of Juridical Title Status: The certificates that had been transferred to Puryanto's name (SHM No. 263/Puryanto) were declared to have no binding legal force. The National Land Agency (BPN) was ordered to return the ownership status to the original name, Lucia Haryati.
- b. Return of Original Certificates: Notary/PPAT Misbahul Munir or any other party in possession of the disputed land certificates was required to return them immediately to Lusy Hariati.
- c. Cessation of Construction Activities: All construction activities of the Graha Ariobimo 2 housing development were ordered to cease to prevent further damage to the land object and to prevent more consumer victims.

These steps show that the court provided very strong protection to the seller whose rights were "seized" through a breach of contract accompanied by bad faith. Restoration to the original state in land cases often requires cross-agency cooperation, especially with BPN, to ensure that public records in the land books reflect the material truth established by the court. Thus, the certainty of legal protection in land sale and purchase agreements, as well as safeguards for the seller, can be maintained (Sihotang et al., 2023).

#### *Legal Status of the Down Payment as Compensation for the Seller*

One of the most significant points in Decision 2134 K/Pdt/2024 is the ruling regarding the down payment of Rp2,320,000,000.00 paid by Puryanto. The court argued that the buyer's money did truly belong to the seller, Lusy Hariati, as damages for the buyer's breach of contract.

#### *Closer Look into Article 1464 of the Civil Code on Default*

The regulation of down payments in Indonesian civil law is contained in Article 1464 of the Civil Code. In this case, the article notes that when an item is purchased for a down payment, one side cannot revoke the purchase by merely holding onto, or giving back the down payment. But in the judicial practice, this standard is interpreted as a penalty to the party who breach the contract. If a buyer decides to walk away on their own accord, or breaks the contract, they also forfeit their right to that deposit.

Supreme Court jurisprudence, for example Decision Number 2661 K/Pdt/2004 has asserted that the seller is not required to return the down payment after proof of default from the buyer. Here are some reasons to keep the down payment as compensation:

1. **Opportunity Cost:** During the process of tying the lands with Puryanto, Lusy Hariati also missed the opportunity to sell the land to other buyers with more credit points.
2. **Moral and Non-Property Damage:** The buyer behaved inappropriately by writing empty checks and led the seller to face a long litigation, resulting in mental burden and damage to reputation.
3. **Damages for Physical Possession:** The buyer received the benefits of the land, even selling units directly to the consumer at profit; therefore, fairness dictates that the down payment is proper compensation for the use/benefit to the buyer during the dispute..

The fact that the seller can keep billions regards the rupee is a concrete manifestation of legal protection for the seller. Land transaction defaults will incur a high cost, sending a message to property enterprises that it is not acceptable for the law to treat down payments on "locked" land objects as mere "temporary" measures without intent to settle on the transactions.

## **Discussion**

### *BPN: BaljhaB Phal Nest Ticks of executing dynamics of action rather than one that is all right*

At the enforcement stage, which follows its becoming-remaindered (*inkracht van gewijsde*), the final obstacle has to do with executing that ruling to render the principle of restitutio in integrum a reality. Execution in land disputes is complicated, especially since it requires changes to the land book data at the National Land Agency.

### *Certificate Cancellation Mechanism through BPN*

According to GR No 24/1997 on Land Registration, BPN obligation to log every alteration of land juridical data on the foundation of the judgement of the court. Following the verdict, BPN (Co-Defendant II) was to comply with and be bound to the decision, meaning, according to the judges, BPN should take an administrative action to cancel the title transfer title under Puryanto's name and return it to Lusy Hariati.

This process is very important for the seller because without relevant and updated data at BPN, the seller would not be able to conduct legal actions against the land, either selling it to other parties or pledge it. The Supreme Court decision itself is the most fundamental reason for BPN to fix its administrative products that were based on an AJB that turns out to be legally flawed.

### *Obstacles to Restoring Status Quo Ante*

Although the seller's rights have been restored through the law/juridical acts, restoring the order of things before the transaction in the event of the case 2134 K/Pdt/2024 encounters tremendous practical obstacles. The existing of permanent buildings built by Puryanto on such objection land has made such land status no longer precisely as land after the deal.

### *Destruction of Buildings vs. Ownership of Land Dilemma*

In practice, where the court creates a permanent injunction to restore land, it may include an order to remove unauthorized buildings. But when physical demolition occurs court bailiffs shy away from doing so for fear of social conflict as a consequence of the demand to vacate and economic waste if the demolition is carried out. The building may be deemed to be part of the land that goes back to the seller on the basis of the principle of accession (*accessio*), but that process usually leads to further argumentation as to how much compensation for the value of the building should be given.

For this substantive justice, it is only natural that the one who has the duty to bear all the burdens resulting from the bad faith of the buyer is not only the seller, who has also suffered enough from the failure to settle tens of billions of rupiah inflated over the years 40. The retention of the Rp2. The 32 Billion down payment by the seller can be considered as a compensation fund if the seller having to do land clearing or physical restoration due to the buyer on-th-ground works.

### *Notary/PPAT Responsibility and Professional Risk*

The role of Misbahul Munir as Cassation Petitioner I indicates the professional risks that Notaries and PPATs face in their work in problematic land transactions. In this case, the Notary/PPAT was considered to have facilitated the creation of the AJB despite the payment not being fully settled, which then opened the door for the buyer to perform a premature title transfer.

### *Negligence in Creating Authentic Deeds*

Under the Law on Notary Positions (UUJN), notaries are required to act carefully and safeguard the interests of the parties in creating deeds. If a deed is cancelled by the court because it is proven not to meet objective or subjective requirements, or if the notary is proven negligent in verifying the parties' statements (such as payment settlement issues), that notary can be held civilly liable.

Article 84 of the UUJN regulates that violations of certain provisions can result in a deed losing its authentic nature and having only the evidentiary force of a private deed, or even becoming void by law. As a result, the notary can be sued for compensation of costs, losses, and interest by the party aggrieved by the deed's cancellation. However, Decision 2134 K/Pdt/2024, against Misbahul Munir's cassation, tightening this signal to public officials to be more careful and not only to act as a rubber stamp of the parties' wish without further verification of transaction reality on the ground.

### *Third-Party Consumer Protection*

More importantly, Decision No. 2134 K/Pdt/2024 creates a governance gap in socio-legal relations between third-party consumers who purchased property units from Puryanto in bona fide, who mostly will be adversely affected by a nullification of the property units B20 and 11 The House of Law, Vol 40 No. 1 July 2024 extent due to successive legal ownership, instead of benefiting from the restitutio in integrum mechanism that will work well for the original seller. The *ex tunc* cancellation of all deeds meant that any later purchasers derived title from a legally null series of transactions. The concept of good-faith buyer is elaborated further in PP No. 24/1997. Under PP No. 24/1997 good-faith buyer protection was theoretically guaranteed so long that the buyer obtained it in accordance to a certified land book. Nevertheless, Hartono (2021) acknowledges the conditional nature of this protection, which arises from registration completeness and the absence of constructive notice of disputes, thus may not save downstream

purchasers in multi-party chains of property development. This conundrum exposes a systemic conflict between: (a) the *ex tunc* cancellation doctrine of the Civil Code, which sets aside all transactions along a tainted chain, and (b) the land registration system's dependence on the negative publicity principle (*negatiefstelling*) of the Civil Code that raises questions on the effect of cancellation of the underlying deeds on registered titles. From the perspective of socio-legal governance, this case illustrates that indirectly currently the property legal system between law and society in Indonesia cannot provide compensation system for third party consumers whose rights are extinguished without any fault of consumers e.g. consumer protection law. The Consumer Protection Law (UUPK No. 8/1999) offers some substantive rights but lacks a remedy in this situation. Legislative reform may include: (1) a duty on developers to disclose their obligations and to newly prohibited from marketing residential units until certification by a licensed title certifier; (2) statutory assurance funds (similar to Malaysia's Housing Development Act) to compensate third party bona-fide buyers if their purchase is subject to retroactive cancellation; and (3) PPJB dispute registration with the land office, noting a cautionary notation (*catatan peringatan*) in the land book to impose constructive notice for later purchasers.

### CONCLUSION

The separated but intermingled nature of the various jurisprudential contributions made by Supreme Court Decision No. 2134 K/Pdt/2024 advance Indonesia's land transaction governance framework. As we know, the court's ruling covers two (2) points, namely: First, it affirms that a breach of contract accompanied by systematic bad faith in this case arising from the use of an irrevocable power of attorney and fraudulent payment instruments—constitutes a valid basis for ordering the *ex tunc* annulment of all related documents (PPJB, SKM, and AJB), whereby the court applies the principle of *restitutio in integrum* to fully restore Go's legal status as required by ownership (i.e., as a legal entity). Second, by confirmation agreement holder seller Rp2. The judgment stipulates that in addition to the 32 billion down payment under Article 1464 KUHPerdata ("civil law"), financial deterrence is an essential part of the defense of the aggrieved party, so that the objects confiscated should become a restorative punitive instrument against the illegal expulsion in relation to the property of the plaintiff and his family. Third and most importantly from a governance perspective, the decision reveals a critical structural defect in Indonesia's land protection regime: third-party consumers who innocently bought from the defaulting purchaser lack sufficient statutory protection for their rights when the *ex post facto* cascade of deeds is nullified.

Implications for Policy and Practice: The results of this study have direct implications for change in policy and practice. For the legislature: It is then necessary an equalization of Article 1464 of the KUHPerdata related to the retention right with UUPK through a provision concerning multi-party cancellations in the ownership chains of property. A required registration of PPJB disputes as a cautionary notation in the land book would give constructive notice to downstream purchasers and mitigate systemic information asymmetries. For notaries and PPAT: This ruling underscores that, in addition to simply checking the documents in a customary manner, it is a professional obligation to substantively verify payment completion. Professional association guidelines (INI and IPPAT) can be updated to require payment settlement certificates before executing title transfer deeds. Future research should investigate the extent of third-party consumer exposure in the Indonesian property market in quantitative terms, and consider whether an analogous statutory guarantee fund model could operate in Indonesia, as they are in other comparable ASEAN jurisdictions. But this goal cannot be achieved unless Indonesia leaves behind the current case-by-case approach of the judiciary towards a comprehensive legislation that proactively bridges the three governance gaps that this study has exposed (third party consumer protection, mandatory dispute registration and harmonization between the doctrine of restitution in the Civil Code and the publicity principles of the land registration system).

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#### AUTHOR CONTRIBUTION STATEMENT

Mohammad Ahmad Eko Susilo conceptualized the study, developed the theoretical framework, and led the normative juridical analysis. Helda Malta contributed to the literature review and doctrinal analysis of relevant civil law provisions. Felicia Vanessa Japri assisted in the case analysis, legal argumentation, and discussion of *restitutio in integrum*. Windy Kosim contributed to data compilation, manuscript preparation, and critical review of the final draft. All authors have read and approved the final version of the manuscript.

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