

Reassessing Judicial Reasoning on the Cancellation of Land Sale and Purchase Agreements Due to Breach of Contract: Lessons from Decision No. 305/Pdt.G/2024/Pn.Bks

Diana Angelicha^{1*}, Rita Alfiana²

^{1*,2}Esa Unggul University, Jakarta Barat, Indonesia

*email: dianaangelicha364@student.esaunggul.ac.id

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ABSTRAK

Keywords:
*Sales and
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This research is motivated by disputes over Land Sale and Purchase Agreements (PPJB) arising from property speculation that threatens the rights of landowners acting in good faith. This study aims to analyse the judge's legal considerations in determining the legal certainty of the disputed object in Bekasi District Court Decision Number 305/Pdt.G/2024/PN.Bks and examine the legal implications of PPJB cancellation for land ownership status. This research employs a normative juridical method with analytical-descriptive specifications, supported by Prof. R. Subekti's Contract Theory and Jan Michiel Otto's Legal Certainty Theory. The results show that the Panel of Judges applied procedural law by issuing a default judgment under Article 125 of the HIR and declaring the Defendant in default under Article 1243 of the Civil Code for failing to pay the second to fourth instalments and ignoring two summonses. By considering the litigation history of the 36,030 m² land up to the Supreme Court, the Court resolved the legal uncertainty and affirmed the Plaintiff's position as the rightful heir. The cancellation of the PPJB as an obligatory agreement triggers restitutio in integrum, restoring each party's legal position to the state before the agreement. Doctrinally, the decision provides preventive protection for the legal status of the land under Article 23 of PP No. 24/1997. This study contributes to Indonesian contract law by demonstrating the integration

of legal certainty and contractual restitution in resolving PPJB disputes.

ABSTRACT

Keywords:
Perjanjian
Jual Beli
(PPJB),
Wanprestasi,
Kepastian
Hukum

Penelitian ini dilatarbelakangi oleh sengketa Perjanjian Pengikatan Jual Beli (PPJB) yang timbul akibat praktik spekulasi properti yang mengancam hak pemilik tanah yang beritikad baik. Penelitian ini bertujuan untuk menganalisis pertimbangan hukum hakim dalam menentukan kepastian hukum terhadap objek sengketa dalam Putusan Pengadilan Negeri Bekasi Nomor 305/Pdt.G/2024/PN.Bks serta mengkaji implikasi hukum pembatalan PPJB terhadap status kepemilikan tanah. Penelitian ini menggunakan metode yuridis normatif dengan spesifikasi deskriptif-analitis yang didukung oleh Teori Perjanjian Prof. R. Subekti dan Teori Kepastian Hukum Jan Michiel Otto. Hasil penelitian menunjukkan bahwa Majelis Hakim menerapkan hukum acara dengan menjatuhkan putusan verstek berdasarkan Pasal 125 HIR serta menyatakan Tergugat melakukan wanprestasi berdasarkan Pasal 1243 KUHPerdata karena tidak memenuhi pembayaran angsuran kedua sampai dengan keempat dan mengabaikan dua kali panggilan. Dengan mempertimbangkan riwayat sengketa hukum atas tanah seluas 36.030 m² hingga tingkat Mahkamah Agung, Pengadilan menyelesaikan ketidakpastian hukum dan menegaskan kedudukan Penggugat sebagai ahli waris yang sah. Pembatalan PPJB sebagai perjanjian yang bersifat obligatoir menimbulkan konsekuensi restitutio in integrum, yaitu memulihkan kedudukan hukum masing-masing pihak ke keadaan sebelum perjanjian dibuat. Secara doktrinal, putusan tersebut memberikan perlindungan preventif terhadap status hukum tanah berdasarkan Pasal 23 PP No. 24 Tahun 1997. Penelitian ini memberikan kontribusi terhadap hukum perjanjian di Indonesia dengan menunjukkan integrasi antara kepastian hukum dan restitusi kontraktual dalam penyelesaian sengketa PPJB.

1. INTRODUCTION

Article 1 of Law Number 5 of 1960 concerning Basic Agrarian Principles (hereinafter referred to as the Basic Agrarian Law) provides a definition of land as the surface of the earth, whether in the form of land or covered by water within certain limits, provided that its use and utilization are directly related to the surface of the earth, including the space above and beneath the surface of the earth. Land is not merely a physical expanse but an asset that supports the sovereignty of life, where every inch of it is closely related to economic dimensions, social order, and legal certainty. As the basis for constitutional economic thinking in Indonesia, the State exercises authority under the State's Right to Control (Hak Menguasai Negara), as mandated by Article 33 (3) of the 1945 Constitution and Article 2 of the Basic Agrarian Law. The State, through the Basic Agrarian Law, seeks to guarantee legal certainty and provide

preventive protection for land ownership, as evidenced by Article 19, which mandates the government to implement land registration throughout the country. This statutory mandate was subsequently elaborated through Government Regulation Number 24 of 1997 concerning Land Registration (hereinafter referred to as GR No. 24/1997), which has been refined and expanded through Government Regulation Number 18 of 2021 concerning Management Rights, Land Rights, Apartment Units, and Land Registration (hereinafter referred to as GR No. 18/2021) to accommodate the demands of modernization and digital transformation in Indonesia's national land administration system.

In civil law practice, one of the primary means of transferring land rights is through a sale and purchase transaction. A sale and purchase, as outlined in Article 1457 of the Indonesian Civil Code (*Burgerlijk Wetboek*), is a contractual commitment that binds the seller to transfer ownership of an object and obligates the buyer to pay the agreed-upon price ([Rahmawati et al., 2025](#)). Based on Article 37(1) of GR No. 24/1997, land rights may be legally transferred and registered if proof of the transfer is provided in the form of a deed executed before a Land Deed Official (Pejabat Pembuat Akta Tanah/PPAT). Without such an official deed, the transfer of rights does not satisfy the formal requirements for registration under Indonesian land law. In order to have legally binding force, a Preliminary Sale and Purchase Agreement (Perjanjian Pengikatan Jual Beli, hereinafter referred to as the PPJB) must fulfil the requirements for the validity of an agreement stipulated in Article 1320 of the Indonesian Civil Code, namely consent, legal capacity, a certain object, and a lawful cause. Furthermore, the seller is responsible for performing the obligation to deliver goods that meet the promised standards of quality, quantity, and timeliness. The buyer, in turn, is obligated to complete payment according to the amount, time, and method mutually agreed upon by the parties ([Kareliana et al., 2024](#)). As mandated by Article 1338 of the Indonesian Civil Code, a legally valid agreement creates legal consequences in the form of binding force upon the parties. The provisions regarding default, from the perspective of the *Burgerlijk Wetboek*, are guided by Article 1243 of the Indonesian Civil Code, which emphasizes the debtor's failure to fulfil contractual obligations and to demonstrate good faith in performing those obligations after receiving a warning.

One concrete example of a breach of contract in a PPJB concerning land can be found in Bekasi District Court Decision Number 305/Pdt.G/2024/PN.Bks. This dispute stems from the signing of a Cooperation Agreement for Financing and Land Sale and Purchase dated December 8, 2022, concerning a land object measuring 36,030 m² located in Rawakalong Village, Setia Mekar Subdistrict, South Tambun District, Bekasi Regency, between Mimi Jamilah as the Plaintiff (Seller) and Dumatno Budi Utomo as the Defendant (Buyer/Finance Provider). In this case, the issue of breach of contract in the PPJB is inseparable from the interrelationship of civil law provisions concerning the validity requirements of an agreement as governed by Article 1320 of the Indonesian Civil Code, while the legal consequences arising from breach of contract are regulated under Article 1238 in conjunction with Article 1243 of the Indonesian Civil Code. A PPJB concerning land that is not mutually agreed upon may result in disharmony in the parties' obligations, influence the judge's assessment of the validity of subsequent amendments, and lead to an examination of default and the feasibility of cancelling the agreement.

Previous research has discussed the cancellation of PPJBs due to default from various perspectives. ([Octariani et al., 2021](#)), for example, examined the cancellation of a PPJB deed for a shophouse due to default and focused on the legal consequences of cancellation and the judge's considerations. ([Afifah, 2020](#)) also examined the cancellation by the court of a PPJB concerning land rights due to default and concluded that the failure to fulfil payment obligations may constitute grounds for the cancellation of a PPJB. These studies demonstrate that the issue of PPJB cancellation due to default has received considerable legal attention. However, previous research has generally focused on the validity of the agreement, the occurrence of default, and the consequences of cancellation. The relationship between the judge's considerations in cancelling a PPJB and the legal certainty of the underlying land rights has not been examined in depth, particularly when the Plaintiff's position is related to inheritance and the PPJB has not proceeded to the execution of a Deed of Sale and Purchase (Akta Jual Beli/AJB) and the land registration stage.

This gap is important because the cancellation of a PPJB involving land does not merely terminate the contractual relationship between the parties but may also raise questions concerning the legal status of the land after cancellation. The legal consequences of cancellation must therefore be distinguished between the restoration of contractual rights and obligations and

the determination or transfer of substantive land rights. The issue becomes more significant when the Court's decision contains a determination concerning ownership, while the underlying dispute primarily concerns breach of contract. Therefore, an analysis from the perspective of legal certainty is necessary to determine whether the judge's considerations have provided an appropriate balance between contractual certainty and certainty regarding land rights (Dalimunthe et al., 2026).

The main focus of this journal is on how the judge's considerations in Decision Number 305/Pdt.G/2024/PN.Bks determine the legal certainty of the disputed object in the South Tambun area and how the cancellation of the PPJB affects the status of land ownership rights when reviewed from the perspective of Indonesian land law. This research is important because it seeks to clarify the legal boundary between the cancellation of an obligatory agreement and the formal transfer of land rights. The research is expected to contribute to the development of contract and land law by explaining the legal consequences of PPJB cancellation and the application of legal certainty in determining the status of land rights.

The analytical perspective of this study is supported by Contract Theory and Legal Certainty Theory. (Subekti, 1979) interprets an agreement as an event involving mutual promises between two parties to perform a certain obligation. Furthermore, Subekti explicitly distinguishes between the concepts of engagement (*verbinten*) and agreement (*overeenkomst*). Agreements are positioned as the primary cause or source that gives rise to legal relations of engagement. According to (Joesoef, 2022), the principles of agreements include the Principle of Freedom of Contract, the Principle of Consensualism, the Principle of Trust, the Principle of Binding Power, the Principle of Legal Equality, the Principle of Balance, the Principle of Legal Certainty, the Principle of Morality, the Principle of Propriety, and the Principle of Custom. Based on Articles 1320 and 1338 of the Indonesian Civil Code, agreements in contracts inherently imply the principle of freedom of contract. Therefore, the manifestation of the parties' will must be pure and autonomous, free from defects of will (*wilsgebrek*) (Marilang, 2017).

Furthermore, the Theory of Legal Certainty is used to measure the extent to which court decisions provide stable legal guidance. Certainty functions as a clear behavioural compass based on normative legal validity, while justice ensures the alignment of these standards with the values of societal propriety

(Rato, 2006). (Otto & Hoekema, 2012) expands the horizon of legal certainty beyond the normative legal dimension through five comprehensive elements: regulatory quality, apparatus consistency, public compliance, judicial independence, and execution effectiveness. Therefore, the legal certainty perspective in this study examines how the considerations of the panel of judges at the Bekasi District Court can integrate substantive justice with procedural certainty, particularly in determining the legal consequences of PPJB cancellation and the status of the disputed land.

Based on the foregoing, this research aims to analyse the judges' considerations in Decision Number 305/Pdt.G/2024/PN.Bks in determining the legal certainty of the disputed land object in the South Tambun area and to analyse the legal implications of the cancellation of the PPJB due to default on the status of land ownership rights from the perspective of Indonesian land law. The contribution of this research lies in clarifying the distinction between contractual restoration following PPJB cancellation and the substantive determination of land ownership, thereby strengthening the application of legal certainty at the intersection of contract law and land law.

2. RESEARCH METHODOLOGY

This research employs a normative juridical method that examines legal norms, principles, doctrines, and court decisions relevant to the legal issues under study. The research applies three approaches: the statute approach, the conceptual approach, and the case approach (Marzuki, 2009). The statute approach examines legal regulations relevant to land law and contracts, particularly the Basic Agrarian Law, the Indonesian Civil Code, Government Regulation No. 24/1997 as amended by Government Regulation No. 18/2021, and other relevant provisions concerning land agreements, default, and legal certainty. The conceptual approach examines legal doctrines and concepts concerning default and legal certainty to interpret the relevant legal provisions and assess the legal relationships and obligations of the parties. The case approach analyses Decision Number 305/Pdt.G/2024/PN.Bks concerning the cancellation of the Financing and Sale and Purchase Agreement for Land covering 36,030 m² in Rawakalong Village, Bekasi Regency, by examining the facts, parties' arguments, and the judges' legal considerations and comparing them with the applicable legal provisions and concepts. The three approaches are integrated systematically, with the statute approach establishing the

applicable legal framework, the conceptual approach providing the doctrinal basis for interpretation, and the case approach applying the relevant norms and concepts to the dispute. The legal materials consist of primary, secondary, and tertiary materials (Soekanto, 2007). Primary legal materials include the Basic Agrarian Law, the Indonesian Civil Code, Government Regulation No. 24/1997 as amended by Government Regulation No. 18/2021, and Decision Number 305/Pdt.G/2024/PN.Bks; secondary materials comprise legal books, scientific journal articles, legal doctrines, and previous research concerning land law, contracts, default, legal certainty, and agrarian disputes; while tertiary materials include legal dictionaries, encyclopedias, and other relevant supporting references. These legal materials are analysed descriptively and analytically by identifying the relevant materials, examining statutory provisions, analysing the concepts of default and legal certainty, examining the court decision, and comparing and synthesising the findings from the three approaches to answer the research questions and formulate the legal conclusions.

3. RESULTS AND DISCUSSION

3.1 Judges' Considerations in Decision Number 305/Pdt.G/2024/PN.Bks in Determining the Legal Certainty of the Object of Dispute in the South Tambun Region.

Procedurally, the Defendant never appeared in response to a valid and proper court summons and failed to send his attorney, without any legally justifiable reason. In response to these persistent absences, the Panel of Judges rendered a decision in the Defendant's absence (*verstek*) based on Article 125 of the HIR. The Defendant's absence was deemed a waiver of his legal right (*rechtsverwerking*) to deny the Plaintiff's claims. However, the default status does not mean that the Plaintiff's claim can automatically be granted in its entirety. The Panel of Judges still examined the material aspects of the case through documentary evidence P-1 to P-13 and the witness testimony presented by the Plaintiff. This approach is relevant to the principle of legal certainty because a judicial decision must be based on an examination of the relevant facts and applicable legal provisions, rather than solely on the Defendant's absence. Thus, the Court's examination of the evidence indicates an effort to ensure that the decision remained based on objective legal considerations.

In examining the Defendant's breach of contract, the Panel of Judges found that, based on Evidence P-1 (Deed of Agreement) and Evidence P-2 (Down Payment Receipt), the Defendant had paid a down payment of Rp250,000,000. However, the payment was made on January 25, 2023, two months after the agreed deadline. Following this initial payment, the Defendant failed to fulfil his financial obligations for the subsequent instalments as stipulated in the agreement. The Plaintiff had also issued two warning letters in the form of summonses (Exhibits P-3 and P-5), to which the Defendant did not respond.

According to ([LHS & Partners Law Firm, 2026](#)), the judge determined that the material requirements for breach of contract had been cumulatively met, namely:

1. The existence of a valid legal relationship as stipulated in Article 1320 of the Civil Code.
2. A breach of contract by one of the parties.
3. The Plaintiff issued two warning letters in the form of summonses (Exhibits P-3 and P-5), which the Defendant ignored, as provided under Article 1238 of the Civil Code.

Therefore, the Defendant's failure to pay the remaining instalments and his absconding without a known location constitute a clear act of breach of contract under Article 1243 of the Civil Code. Other requirements are as follows:

1. The Debtor fulfils the obligation, but does so late or after the deadline.
2. The Debtor fulfils the obligation, but not in accordance with the Agreement.

The legal reasoning concerning default is relevant to legal certainty because the Court did not merely rely on the Defendant's absence but connected the Defendant's conduct with his contractual obligations and the provisions of Articles 1238 and 1243 of the Civil Code. This demonstrates that the determination of default was based on identifiable legal norms and established facts. Accordingly, the Court's reasoning provides predictability regarding the legal consequences of failure to perform contractual obligations.

According to Ishaq (2018), as quoted in ([Ali & Hifni, 2025](#)), Article 1266 of the Civil Code stipulates that when a party fails to fulfil its obligations, cancellation is not automatic but must be requested through a court decision. Furthermore, the party harmed by default has the right, under Article 1267 of the Civil Code, to demand the performance of the contents of the Agreement or

request the cancellation of the Agreement through the court, accompanied by a demand for compensation, costs, and interest. From the Plaintiff's position, the Plaintiff has implemented the mechanism under Article 1267 of the Civil Code in conjunction with Article 5 paragraph (3) subparagraph (b) of the Agreement. However, the Defendant still failed to fulfil his obligations until this lawsuit was filed.

From the perspective of legal certainty, the application of Articles 1266 and 1267 of the Civil Code shows that the cancellation of the agreement was not treated as an automatic consequence of default. Instead, the Court considered the contractual obligations, the Defendant's failure to perform, and the Plaintiff's legal request for cancellation. This provides a clear legal basis for the termination of the contractual relationship and demonstrates the importance of judicial intervention in determining the legal consequences of default.

According to ([Klinik Hukumonline, 2011](#)), citing the view of Muljadi and Widjaja in their book, if the parties terminate an agreement themselves, they cannot eliminate or remove the rights of third parties that have arisen from the agreement. Cancellation can only eliminate potential future consequences between the parties. However, if a judge annuls an agreement, the annulment restores the parties' positions and their rights to the property to their original state, as if the agreement had never been made.

One of the most important considerations in this decision concerns the legal status of the 36,030 m² disputed land. Evidence from Letters P-8 to P-13 reveals that the land in South Tambun has a long litigation history, stemming from Decision No. 128/Pdt.G/1996/PN.Bks in conjunction with Decision No. 572/Pdt/1997/PT.BDG in conjunction with Supreme Court Decision No. 4930K/Pdt/1998, to the Minutes of Execution Seizure No. 1/Del.Eks/2020/PN.Ckr. Based on this series of decisions, which have permanent legal force (*inkracht van gewijsde*), the *a quo* land is declared to legally belong to the original owner, namely the late H. Abdul Hamid, who is none other than the Plaintiff's biological parent.

The examination of the previous decisions can be viewed positively from the perspective of legal certainty because the Panel of Judges did not ignore the historical legal status of the disputed land. The use of previous final judgments as evidence provides continuity between the previous judicial determinations and the current dispute. However, the legal certainty of ownership must still be distinguished from the legal certainty of the contractual relationship between

the Plaintiff and the Defendant. The existence of previous decisions concerning ownership does not necessarily mean that every issue concerning inheritance or the transfer of ownership has been finally resolved in the present case.

Furthermore, in this case, the Plaintiff also requested, as stated in Petition Number 5:

"Declare the Plaintiff the sole and legal owner of a plot of land measuring 36,030 m² in Rawakalong Village, Setia Mekar Subdistrict, Tambun District, Bekasi Regency."

The Judge then granted the petition in Decision Number 6. In this regard, the Court's determination must be examined critically because the Plaintiff is described as an heir to the disputed land. The Plaintiff is not expressly described as the sole heir of the late H. Abdul Hamid. Therefore, declaring the Plaintiff the sole legal owner potentially raises an issue of legal certainty if the rights of other heirs have not been legally established or excluded. In my opinion as a researcher, the determination that *"The Plaintiff is the sole legal owner according to the law of the a quo land"* requires careful examination because the *a quo* land was still associated with the late H. Abdul Hamid and had not yet reached the stage of legally transferring the title to the heirs. The determination of sole ownership may therefore have implications for the legal interests of other heirs who were not parties to the present dispute.

Thus, Petition Number 5 raises a legal issue that needs to be distinguished from the issue of *ultra petita*. *Ultra petita* is defined as a judge's decision on a case that was not demanded or that grants more than what was requested by the Plaintiff (Subagyono et al., 2014). This prohibition against ruling beyond the limits of the claim is closely related to the principle of judicial passivity in the civil realm, where the scope of the dispute is determined by the parties to the lawsuit through their petition.

However, based on the wording of Petition Number 5, the Plaintiff expressly requested that the Court declare him the sole and legal owner of the disputed land. Therefore, the granting of Petition Number 5 cannot automatically be categorised as *ultra petita* merely because the Court declared the Plaintiff the sole legal owner. From a procedural perspective, the Court granted relief that was expressly requested by the Plaintiff. The more significant legal issue is whether the granting of such relief was substantively justified by

the evidence and whether it was necessary to resolve the principal dispute concerning default and cancellation of the agreement.

This distinction is important because the present case is primarily a default dispute concerning the Financing and Sale and Purchase Agreement rather than a dispute specifically concerning inheritance or the determination of the rights of all heirs. Therefore, although the Court was entitled to consider the legal status of the land insofar as it was relevant to the agreement, the determination of sole ownership should be based on clear evidence concerning the Plaintiff's legal status and should not prejudice the rights of persons who were not parties to the proceedings.

The principle of *restitutio in integrum* is also relevant to this issue. When a PPJB is cancelled or terminated due to default, the legal consequence principally concerns the restoration of the parties' contractual positions to the condition that existed before the agreement was entered into. The restoration of the contractual relationship, however, should not automatically be equated with the final determination of substantive ownership, particularly where inheritance and the rights of other heirs may still be relevant.

The Judge may therefore be criticised not necessarily because the decision constitutes *ultra petita*, but because the declaration of sole ownership requires a stronger substantive legal basis. The distinction between these two issues is essential. *ultra petita* concerns the procedural limits of the Court's authority in relation to the relief sought, whereas the declaration of sole ownership concerns the substantive correctness and legal consequences of the judgment. Since Petition Number 5 expressly requested a declaration of ownership, the argument that the Court violated the *ultra petita* principle is not sufficiently strong if based solely on the fact that the Court granted the petition.

From the perspective of legal certainty, the stronger concern is whether the Court's declaration of sole ownership corresponds with the Plaintiff's actual legal status and whether it provides sufficient protection against potential claims from other heirs. Legal certainty does not merely require the Court to grant relief in accordance with the wording of the petition but also requires the legal consequences of the judgment to be clear, predictable, and supported by the legal facts established in the proceedings.

The Court's reasoning can therefore be understood as having two different dimensions. *First*, the determination of the Defendant's default and the cancellation of the agreement provide legal certainty because they are

supported by the agreement, payment evidence, warning letters, and the relevant provisions of the Civil Code. *Second*, the declaration of the Plaintiff as the sole owner requires greater caution because the contractual dispute and the substantive ownership or inheritance status are not necessarily the same legal issue.

By integrating the history of the previous decisions into its legal considerations, the application of Article 125 of the HIR in this default decision did not automatically result in the Judge granting the lawsuit without objective legal considerations. The Judge still prioritised the principle of prudence by conducting a material examination of documentary evidence P-1 to P-13 and the witness statements. Evidence related to the land ownership status was also considered through Documents P-8 to P-13 and previous decisions of the District Court, High Court, Supreme Court, and Minutes of Execution Seizure.

The lawsuit in this case is primarily a breach-of-contract lawsuit concerning the Land Financing and Sale and Purchase Cooperation Agreement, rather than an ownership or land administration dispute. Because the legal facts indicate that the transaction remained at the stage of an initial binding agreement and down payment without an authentic PPAT deed, the transfer of land rights had not been completed. Therefore, the Court's examination of ownership was relevant to determining the legal position of the agreement, but the declaration of sole ownership should still be carefully distinguished from the cancellation of the agreement.

Accordingly, the decision provides legal certainty in relation to the Defendant's default because the Court linked the contractual obligations, evidence of non-performance, warning letters, and Articles 1238, 1243, 1266, and 1267 of the Civil Code. However, the determination that the Plaintiff is the sole legal owner raises a separate issue concerning the substantive scope of the judgment. The stronger academic position is therefore not to conclusively classify Petition Number 5 as *ultra petita*, but to critically assess whether the declaration of sole ownership was sufficiently supported by the Plaintiff's legal status as an heir and whether such determination was necessary to resolve the default dispute.

This analysis demonstrates that legal certainty in land-related contractual disputes requires a clear distinction between contractual cancellation and substantive ownership determination. The contribution of this analysis to legal practice is that judges should carefully determine the scope of the legal

consequences of a default judgment, particularly where the contractual dispute involves land whose ownership and inheritance history may affect third-party rights. Such an approach can prevent the cancellation of a contractual relationship from being interpreted as an automatic and comprehensive determination of substantive land ownership.

3.2 Implications of the Cancellation of the Sales and Purchase Agreement (PPJB) on Land Ownership Status from the Perspective of Land Law in Indonesia.

The Preliminary Sale and Purchase Agreement (PPJB) is categorized as an obligatory agreement (*obligatoire overeenkomst*) because it primarily creates personal rights and obligations between the parties and does not, by itself, constitute the final instrument for transferring land rights. Therefore, the legal consequences of the cancellation of the PPJB in Decision Number 305/Pdt.G/2024/PN.Bks must be distinguished between the termination of the contractual relationship and the transfer of substantive land rights. In the present case, because the Defendant was declared in default before the transaction proceeded to the Deed of Sale and Purchase (AJB) and the registration of the transfer of rights, the cancellation of the PPJB principally terminates the contractual relationship between the parties. However, the application of *restitutio in integrum* should not automatically be interpreted as an absolute determination that ownership has been restored to the Plaintiff, particularly because the Plaintiff's status as an heir and the rights of other potential heirs must also be considered.

The implication of the cancellation is further reflected in the Judge's ruling that the Plaintiff was not required to return the down payment of Rp250,000,000 to the Defendant in accordance with the exoneration or penalty clause under Article 5 paragraph (3) subparagraph (b) of the *a quo* agreement. Nevertheless, the forfeiture of the down payment should be understood primarily as a contractual consequence arising from the agreed clause and the Defendant's default, rather than automatically as compensation for the Plaintiff's opportunity cost. The legal validity of such forfeiture depends on the enforceability of the contractual clause, the parties' agreement, the nature of the loss, and the applicable provisions concerning compensation for default. Therefore, the Court's ruling provides a contractual basis for the Plaintiff to

retain the down payment, but its legal character should be distinguished between a contractual penalty, compensation, and actual damages.

This interpretation is consistent with the function of the PPJB as an instrument that establishes the rights and obligations of the parties before the final transfer of land rights. According to (Subekti, 1985), a sale and purchase transaction through a PPJB mechanism requires legal protection because default in property transactions may cause losses to the parties, while legal instruments are necessary to provide legal guarantees. The present case illustrates the same principle from a different perspective: the PPJB provides a contractual framework for the parties, but the cancellation of that agreement does not necessarily resolve every issue concerning the substantive status of the land. The application of *restitutio in integrum* in this case should therefore not be understood as an automatic restoration of all aspects of land ownership. Rather, its primary function is to restore the contractual position of the parties following the cancellation of the PPJB. This interpretation is consistent with the distinction between an obligatory agreement and the transfer of land rights through the formal mechanisms of the AJB and land registration.

However, an alternative interpretation should also be considered. The cancellation of the PPJB does not necessarily mean that the Court has conclusively determined the Plaintiff's substantive ownership of the land, particularly where the Plaintiff's status derives from inheritance. The legal certainty resulting from the judgment should therefore be limited to the contractual consequences of the Defendant's default unless the Court has independently and validly established the Plaintiff's substantive ownership under the applicable land and inheritance laws. This distinction is important because legal certainty in land law cannot be understood solely from a judicial declaration but must also be connected to the applicable land registration system.

The primary objective of land registration in Indonesia, as outlined in Article 2 in conjunction with Article 3 of Government Regulation No. 24 of 1997, is to provide legal certainty to land rights holders. This legal certainty includes certainty regarding the status of the object (location and area), the subject (the holder of the rights), and the type of rights. When analysed using the theory of legal certainty put forward by Jan Michiel Otto, the absence of an AJB and the registration of the transfer of rights in this dispute confirms that the PPJB had not reached the formal stage of transferring registered land rights.

The Court's decision therefore provides legal certainty primarily by determining the contractual consequences of default and preventing the Defendant from obtaining the contractual benefit without fulfilling the agreed obligations. However, the decision should not automatically be interpreted as conclusively determining all aspects of substantive ownership.

From the perspective of the instruments of National Land Law derived from the Basic Agrarian Law, the cancellation of a PPJB through a legally binding court decision still plays a crucial role in guaranteeing legal certainty. Indonesia adheres to a land registration publication system that incorporates both negative and positive elements. This means that a land certificate constitutes strong, but not absolute, evidence of validity, as it can still be challenged if the acquisition process is legally flawed or based on a defective agreement. Therefore, legal certainty in this case must be understood as a combination of contractual certainty, judicial certainty, and administrative certainty (Fakhrizal, 2017). The cancellation of the PPJB may establish certainty concerning the contractual relationship, but it does not automatically replace the formal mechanisms governing the transfer and registration of land rights.

This position is supported by (Safitri et al., 2020), who explain that Indonesia's land registration system applies a negative publication system with positive elements, which may still create limitations in providing absolute legal certainty because registered land rights can be challenged by parties able to establish stronger legal grounds. Accordingly, the present case demonstrates that the legal certainty generated by a court decision and the legal certainty generated by land registration should not be conflated. The former concerns the resolution of the dispute submitted to the Court, whereas the latter concerns the administrative and substantive status of land rights.

When examined through (Otto & Hoekema, 2012)'s theory of legal certainty, the Court's decision provides legal certainty to the extent that it establishes clear consequences of the Defendant's default and the cancellation of the PPJB. The decision clarifies the contractual position of the parties and determines that the Defendant's failure to perform does not create a basis for acquiring the land through the PPJB. Nevertheless, legal certainty also requires predictability, consistency, and clarity concerning the legal status of the parties and the object of the dispute. Therefore, the declaration concerning the Plaintiff's ownership must be assessed separately from the cancellation of the

PPJB, particularly because the Plaintiff's status as an heir does not necessarily establish that the Plaintiff is the sole heir.

This distinction provides an alternative interpretation of *restitutio in integrum*. The principle may be understood as restoring the contractual positions of the parties following cancellation, but it does not necessarily mean that the Court has conclusively determined every aspect of substantive ownership or inheritance. In other words, restoration of the contractual position (contractual restoration) and restoration of substantive land ownership are not necessarily identical legal consequences. The former concerns the consequences of cancellation between the parties, whereas the latter may involve inheritance law, land law, and the rights of persons who were not parties to the PPJB.

This distinction is also relevant to the development of contract law. The cancellation of the PPJB in this case demonstrates that contractual freedom under Article 1338 of the Civil Code is not unlimited. The parties are bound by the agreement and its contractual consequences, but the enforcement of contractual clauses must remain consistent with mandatory legal provisions, good faith, and the protection of rights arising outside the contractual relationship. Therefore, the case demonstrates that the principle of *pacta sunt servanda* must operate together with legal certainty and good faith rather than being interpreted solely as an absolute justification for enforcing every contractual clause. The case also contributes to the development of land law by demonstrating the need to distinguish between the obligatory stage and the transfer and registration stage of a land transaction. The cancellation of an obligatory agreement may terminate the personal rights and obligations created by the PPJB, but it should not automatically be equated with the final determination of registered land ownership. This distinction is particularly important where the original rights holder has died and the Plaintiff's claim is based on inheritance.

The legal implications of this distinction can also be compared with the approach taken in previous research. (Subekti, 1979) emphasise the importance of legal protection in PPJB-based property transactions, particularly when default creates losses for the parties. Meanwhile, (Richard & Sudrajat, 2024) emphasise the evidentiary function of land certificates within Indonesia's land registration system, while (Subagyo et al., 2014) highlight the limitations of the negative publication system with positive elements in achieving absolute legal certainty. These perspectives demonstrate that contractual protection and

certainty of land rights operate within different legal frameworks. The present case contributes to this discussion by showing how the cancellation of a PPJB may resolve the contractual dispute without necessarily constituting a final determination of all substantive land and inheritance rights.

Therefore, the argument that the cancellation of the PPJB automatically "*protects the landowner*" requires a more limited interpretation. The decision can be said to provide protection against the Defendant's contractual default because it terminates the contractual relationship and prevents the Defendant from obtaining the intended contractual benefit without fulfilling the agreed payment obligations. However, it cannot automatically be concluded that the decision definitively resolves all ownership and inheritance issues relating to the land. Protection of the landowner in the contractual context is therefore different from definitive protection of substantive land ownership.

Based on the synchronization between the principle of obligations in civil law and the principle of legal certainty in land law, the legal implications of the cancellation of the PPJB in Decision Number 305/Pdt.G/2024/PN.Bks can be formulated as follows:

1. The Cooperation Agreement for Financing and Sale and Purchase of a plot of land measuring 36,030 m² in Rawakalong Village, Setia Mekar Subdistrict, Tambun District, Bekasi Regency, which was privately executed by the Parties on December 8, 2022, was cancelled by the Judge based on Bekasi District Court Decision Number 305/Pdt.G/2024/PN.Bks.
2. The Defendant was declared to have defaulted due to failing to fulfil the payment obligations for stages 2 to 4. Therefore, the Plaintiff was not obligated to return the down payment of Rp250,000,000 (two hundred and fifty million Rupiah) to the Defendant in accordance with the Judge's rulings in Numbers 4 and 7.
3. Because the PPJB is an obligatory agreement and was cancelled by the Judge due to default, referring to the principle of *restitutio in integrum*, the rights to the *a quo* land were never legally transferred. The legal consequence is contractual restoration, whereby the legal position of each party is restored to the condition that existed before the agreement was entered into.
4. Administrative execution was carried out based on the implementation of the delegated execution of Decision Number 128/PDT.G/1996/PN.BKS in conjunction with Number 572/PDT/1997/PT.BDG in conjunction with

Number 4930 K/PDT/1998, as stated in the Minutes of Execution of Vacating and Handover Number 1/Del.Eks/2020/PN Ckr in conjunction with Number 41/Eks.G/2019/PN.Bks.

Thus, the cancellation of the PPJB in this case primarily produces contractual consequences rather than automatically altering the registered or substantive status of land ownership. The decision provides legal certainty regarding the Defendant's default and the termination of the contractual relationship, while the ultimate certainty of land ownership remains connected to the land registration system and applicable inheritance law. This distinction demonstrates that legal certainty in land-related contractual disputes is multidimensional, encompassing certainty of contractual obligations, certainty of judicial remedies, and certainty of land rights.

The scientific contribution of this case lies in demonstrating the intersection between contract law and land law. In contract law, cancellation of the PPJB provides a remedy for non-performance and establishes the contractual consequences of default. In land law, however, such cancellation does not independently replace the formal mechanisms governing the transfer and registration of land rights. Accordingly, the case supports a more cautious doctrinal position: *restitutio in integrum* should be understood principally as the restoration of the legal relationship affected by the cancelled agreement, while substantive land ownership must continue to be assessed according to the Basic Agrarian Law, land registration regulations, and applicable inheritance law. This approach provides a more balanced interpretation of legal certainty because it protects contractual rights without prematurely conflating contractual restoration with definitive ownership determination.

4. CONCLUSION

Based on the analysis of the cancellation of the Preliminary Sale and Purchase Agreement (PPJB) in Decision Number 305/Pdt.G/2024/PN.Bks, it can be concluded that the Court's decision establishes the Defendant's default and the resulting cancellation of the PPJB based on the Defendant's failure to fulfil the agreed payment obligations and the Court's examination of the available evidence. As an obligatory agreement (*obligatoire overeenkomst*), the PPJB primarily creates personal rights and obligations between the parties and does not, by itself, transfer substantive land rights (*zakelijk recht*); therefore, the application of *restitutio in integrum* should principally be understood as

restoration of the parties' contractual positions following cancellation rather than as an automatic and definitive determination of substantive land ownership. Since the transaction had not proceeded to the Deed of Sale and Purchase (AJB) and registration of the transfer of rights, the cancellation of the PPJB did not, in itself, constitute a transfer or alteration of registered land rights. From the perspective of legal certainty, the decision provides certainty regarding the contractual consequences of the Defendant's default, while certainty concerning substantive land ownership remains connected to the land registration system and applicable inheritance law. Accordingly, contractual restoration and restoration of land ownership are not necessarily identical legal consequences, and this distinction contributes to the development of contract and land law by clarifying the legal boundary between the cancellation of an obligatory agreement and the formal transfer and registration of land rights. Judges handling PPJB-related disputes are therefore recommended to formulate judgments carefully by distinguishing contractual consequences from the substantive determination of land ownership and by ensuring that decisions remain within the scope of the claims and legal issues submitted by the parties, particularly to prevent potential prejudice to third parties or other heirs. Relevant authorities should also strengthen public legal education concerning the legal position of PPJB, especially the distinction between an obligatory agreement and the formal transfer and registration of land rights through an AJB and land registration, while future researchers are encouraged to conduct comparative studies of court decisions concerning default, cancellation, restitutio in integrum, and land-right transfers to support the development of more consistent legal doctrine at the intersection of contract law, land law, inheritance law, and legal certainty.

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