

Legal Position of Sale Purchase Binding Agreement Deeds and Power of Attorney to Sell as The Basis for Transfer of Rights in Batam City

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Abstract. *The position of the Deed of Sale and Purchase Agreement and the Deed of Power of Attorney in the process of transfer of rights in Batam City is very important as a legal instrument to bridge the transfer of rights in Batam City which requires permission from BP Batam. This study aims to determine and analyze the legal position of the deed of sale and purchase agreement and the deed of power of attorney as the basis for the transfer of rights in Batam City, to determine and analyze the obstacles and solutions to the deed of sale and purchase agreement and the deed of power of attorney as the basis for the process of transfer of land rights and to determine and analyze the structure and examples of the deed of sale and purchase agreement and the deed of power of attorney. The research method used is empirical legal research using the Theory of Legal Certainty, Theory of Responsibility and Theory of Legal System. The approach method used in this study is the statutory approach and the case approach. The data analysis used is descriptive. The results of the study indicate that the position of the deed of sale and purchase agreement and the deed of power of attorney can be used as a preliminary agreement until all requirements are met for the signing and numbering of the deed of sale and purchase which is the main agreement. So this agreement is a preliminary agreement that can provide legal certainty for the parties, especially buyers who have made full payment for the purchase, so with these two deeds, the presence of the seller is no longer required, while for banking, the bank has legal certainty in the disbursement of credit, furthermore the PPJB and KUM deeds can be used to face obstacles in the process of transferring rights, one of which must obtain approval from the Rights Transfer Permit (IPH) from BP Batam where the mechanisms, requirements and policies for processing often change, causing legal uncertainty. Furthermore, the structure of making a deed of sale and purchase agreement and a deed of power of attorney to sell must be complete and systematically arranged in accordance with the provisions of the Civil Code and UUJN in order to meet the formal and material requirements in making a deed.*

Keywords: *Batam City; Power of Attorney to Sell; Sale and Purchase Agreement.*

1. Introduction

A Sales and Purchase Agreement, also abbreviated as PPJB, is an agreement between the seller and the buyer before the sale and purchase takes place due to the existence of causes that must be fulfilled for the sale and purchase, including the land title certificate not being registered, still in the process of being transferred, the price of the object of sale and purchase not being paid in full or the certificate is still being processed, or still in the process of being divided into certificates at the Batam City National Land Agency Office. In the practice of land sales and purchases in Indonesia, legal acts are often encountered where material requirements have been fulfilled, such as payment of the price from the buyer to the seller, but for several reasons the sale and purchase cannot be carried out. A Sales and Purchase Agreement was born because there is a need in society, because there are certain requirements determined by law or agreements between the parties that result in the sale and purchase not being able to be carried out. In order to ensure that the sale and purchase can be carried out until these requirements are met, the parties make a preliminary agreement also called a Sales and Purchase Agreement. Therefore, the parties make a preliminary agreement called a PPJB. According to Herlien Budiono, as a preliminary/assistance agreement, the PPJB serves to prepare, confirm, strengthen, regulate, change, or resolve a legal relationship, in this case a sale and purchase that will be carried out in the future. As a preliminary agreement, there is a legal act attached after the PPJB is made, namely the legal act of sale and purchase. According to Subekti, a binding sale and purchase agreement is an agreement between the seller and the buyer before the sale and purchase is carried out because there are elements that must be fulfilled for the sale and purchase to be carried out.¹Therefore, as a form of preliminary agreement, the PPJB is obligatory, meaning that the new PPJB places reciprocal rights and obligations between the buyer and seller.

¹Subekti, 2002, Contract Law, 19th edition, PT. Intermedia, Jakarta, p. 17

The PPJB itself consists of a Paid PPJB and an Unpaid PPJB. In an unpaid PPJB, there is usually no power of attorney to sell deed, only regulating the conditions for fulfilling the parties' obligations. Meanwhile, in practice, a Paid PPJB is followed by the creation of a Power of Attorney to Sell Deed from the seller to the buyer. The power of attorney to sell deed states that the seller authorizes the buyer to carry out legal acts for and on behalf of the seller as the principal. According to Frans Satriyo Wicaksono, a power of attorney to sell deed is made to provide legal certainty to land buyers, so that after the sale and purchase conditions are met, the buyer can make a deed of sale and purchase without requiring the approval and involvement of the seller. According to national land law, a valid land sale and purchase transaction must meet the material and formal requirements of a sale and purchase. These requirements are divided into subjective and objective requirements. Subjective requirements require the seller to have the right to sell the land and the buyer to purchase it. Objective requirements require the land to be legally tradable and not be in dispute. Therefore, if the sale and purchase fulfills these four requirements, it is valid.² The formal requirements for buying and selling are regulated in Article 37 paragraph (1) of Government Regulation Number 24 of 1997 concerning Land Registration (hereinafter abbreviated as "PP 24/1997"). This article stipulates that the transfer of land rights through buying and selling, gifts, company contributions and other legal acts of transferring rights, except for auctions, can only be registered if it can be proven by a deed made by a PPAT who is authorized according to statutory regulations.³

²Arie S Hutagalung, et al., *Principles of Agrarian Law, Supplementary Reading Material for the Agrarian Law Course*. (Depok: Faculty of Law, University of Indonesia, 2005), p. 72

³Indonesia, Government Regulation on Land Registration Regulations, PP No. 24 of 1997, LN No. 59 of 1997, TLN No. 3696, Article 37 paragraph (1).

One of the requirements for transferring rights in Batam City that is different from other regions in Indonesia is the need for a transfer permit from the Batam Free Trade Zone and Free Port Authority (BP Batam). The transfer process in Batam City involves two different agencies. Before transferring rights to the National Land Agency (BPN), approval for the transfer of rights must first be obtained from BP Batam. This is a mandatory requirement in every transfer process in Batam City, whether through sale or purchase, gift, inheritance, or auction. The transfer permit in Batam City must be approved by BP Batam, because BP Batam holds the Land Management Rights (HPL) for land in Batam and has special authority to manage and develop the area. This permit ensures that the transfer of land rights remains in accordance with applicable provisions and policies in Batam, protects the rights of land users, and ensures directed development of the area according to the master plan. This certainly raises problems, especially for home ownership credit facilities that have been financed by banks based on a deed of sale and purchase agreement and power of attorney signed before a notary. This deed is intended to be temporary so that the bank can disburse credit by blocking funds until, after the transfer of rights permit is issued, a sale and purchase deed can be signed based on the sale and purchase agreement and power of attorney. Home ownership credit based on a deed of sale and purchase agreement and power of attorney is a common practice among banks in Batam City, especially within the scope of the People's Economic Bank (BPR). This study focuses on the use of a deed of sale and purchase agreement and power of attorney in providing credit, which is widely used by BPR banks in Batam City.

Considering that there are several factors that cannot be fulfilled to carry out the direct signing of the sale and purchase deed and there are problems in the permit application process carried out by the Notary to BP Batam, it not only causes problems for the notary as the official making the land deed because the deed of sale and purchase binding agreement and power of attorney cannot be used as the basis for making the sale and purchase deed that makes the application for processing but also for the bank that has provided the credit. There is a risk for the bank, especially if the credit that is financed is then in default while the name change process by the Notary as the Land Deed Making Officer has not been completed so that the installation of mortgage rights in the name of the bank cannot be carried out. Based on this, the author is interested in researching "The Legal Position of the Sale and Purchase Binding Deed and the Power of Attorney to Sell as the Basis for Transfer of Rights in Batam City"

2. Research Methods

The approach method used in this thesis research is the statute approach and the case approach. The statute approach and the case approach are used in this research because of the many obstacles experienced by Notaries in Batam City regarding the transfer of rights permit so that the sale and purchase agreement

cannot be directly signed before the PPAT but uses a notarial deed in the form of a PPJB deed and a KUM deed. This is due to the differences in special regulations in Batam which are under land management rights so that they follow the rules of the Batam Business Agency. The specifications of this research use empirical legal research. Data sources come from primary data and are supported by primary legal materials, secondary legal materials and tertiary legal materials. The data collection method in this research is by using library techniques (document study) and Interview. The data analysis used by the author in this study is descriptive, namely providing an overview of the status of sales and purchase agreements and power of attorney as the basis for the transfer of rights in Batam City.

3. Results and Discussion

3.1. Legal Status of Deeds of Sale and Purchase Agreements and Deeds of Power of Attorney to Sell as a Basis for the Transfer of Rights Process in Batam City

Acquiring land rights requires a specific process or mechanism. For example, through inheritance, grants, sales, and so on. If the rights are acquired through a sale and purchase transaction, the transfer is carried out before a Notary/PPAT (Land Deed Official) to ensure the transfer and registration of the land at the Land Office, ensuring legal certainty, as stipulated in Law Number 5 of 1960 concerning Basic Agrarian Regulations. In addition to the UUPA, this is also regulated by Government Regulation Number 24 of 1997 concerning Land Registration. Normatively, the mechanism for granting land rights and transferring land rights in Batam City cannot be separated from the Management Rights status as the basis for issuing certificates, where the management rights number is attached to the land rights certificate in Batam City. HPL is a form of partial transfer of control authority from the state to a public legal entity or specific government agency.⁴In the context of Batam, the HPL is attached to BP Batam as a representation of the state. The Deed of Sale and Purchase Agreement (PPJB) and Power of Attorney in Batam serve as preliminary and accompanying documents, not as primary transfer instruments for ownership. The PPJB is legally binding in accordance with the provisions of the law.[Article 1320 of the Civil Code](#). Meanwhile, the Power of Attorney facilitates the transaction process without directly transferring ownership. The transfer of legal rights is only through [Deed of Sale and Purchase \(AJB\)](#) and registration at the National Land Agency. According to Herlien Budiono, a PPJB is an assistance agreement that functions as a preliminary agreement in free form, so that this PPJB can be categorized as a preliminary agreement made

⁴Fadhiila Restyanan Larasati and Mochammad Bari, 2018, Implementation of Supreme Court Circular Letter Number 4 of 2016 on Judges' Decisions in Providing Legal Protection for Buyers with Good Faith, Postgraduate Notary Masters Study Program, Legal Studies, Brawijaya University, Constitutional Journal, Volume 15 Number 4, December 2018, pp. 2-3

before the implementation of the main/principal agreement.⁵In addition to the PPJB deed, when granting credit at the bank, there is a Deed of Power of Attorney to Sell which is always paired with the PPJB so that the buyer can sign the AJB on behalf of the seller. This power of attorney to sell is valid as long as it does not violate the Instruction of the Minister of Home Affairs No. 14 of 1982 (not absolute power of attorney for the transfer of land rights). The function of the Deed of Power of Attorney to Sell is to expedite the process, especially if the original seller is difficult to attend, but does not transfer ownership to the authorized recipient. Therefore, the PPJB and Power of Attorney to Sell in Batam are preparatory documents that are strong in civil law, but require the AJB as the final document for the legal transfer of rights. The position of the PPJB is as a preliminary agreement to the main agreement, namely the Deed of Sale and Purchase. The PPJB was born before the AJB. [Agreement Sales and Purchase Agreement \(PPJB\)](#) And [Deed of Sale and Purchase \(AJB\)](#) have a causal relationship, where the PPJB is a preliminary agreement (obligatoir) agreed upon before the AJB (main/constitutive agreement). The PPJB binds both parties to carry out a sale and purchase transaction at a later date when conditions, such as complete documents or payment, are met. The AJB is legal evidence of the transfer of land/building rights. The legal force of the PPJB made before a notary has 3 (three) legal forces: physical, formal, and material legal force.⁶because the PPJB is an authentic deed in accordance with the provisions of Article 1868 of the Civil Code which binds the parties as a Law in accordance with the provisions of Article 1338 of the Civil Code. The PPJB is valid as long as it meets the requirements in accordance with the provisions of Article 1320 of the Civil Code. However, the PPJB is not a means of transferring rights and cannot be used as a basis for registering rights at the Land Agency Office, but it can be used as a basis for signing the AJB with the presence of the KUM so that it does not require the presence of the seller anymore so it is safe for the bank. The position of the Deed of Power of Attorney to Sell is generally made together with the PPJB. In binding home purchase credit at the bank, it is used to guarantee the interests of the buyer and the bank and so that the seller can be represented when the AJB is signed after the BP Batam permit is issued. According to positive law, the KUM is not a means of transferring rights and the power of sale which is absolutely prohibited (Minister of Home Affairs Instruction No. 14 of 1982). However, in practice, the Power of Attorney to Sell is permitted if it is not absolute. The PPJB and KUM as the basis for transferring rights in Batam City have:

- a. The normative legal position is: PPJB and KUM are not the direct basis for the transfer of rights but the Deed of Sale and Purchase (AJB) by the PPAT,

⁵Dewi Kurnia Putri, Amin Purnawan, 2017, Differences between a Paid Sale and Purchase Agreement and an Unpaid Sale and Purchase Agreement, Jurnal Akta Vol 4 No. 4 December 2017, p. 632

⁶Komar Andasasmita, 1983, Notary in Legal Practice, Alumni, Bandung, p. 35.

Approval of the transfer of rights from BP Batam, Registration at the National Land Agency Office of Batam City,

- b. Practical Position (Sociological & Administrative), namely: PPJB and KUM function as the basis for processing permits for the transfer of rights to BP Batam, the basis for disbursing bank credit, transaction security instruments, PPJB and KUM in Batam City have an important functional position, but not as a tool for the transfer of rights in a formal legal manner.

Based on the above, it can be concluded that PPJB and KUM in Batam City are: As preliminary agreements (obligatory), not transfer of rights, As legal instruments that are valid and important for bridging the administrative limitations of BP Batam, As an administrative and practical basis, but not a legal basis for registering the transfer of rights. Registration of the transfer of rights is only valid after the BP Batam Permit is issued, the AJB is signed before the PPAT and registered at the Land Office.

3.2. Obstacles and Solutions to Deeds of Sale and Purchase Agreements and Deeds of Power of Attorney to Sell as the Basis for the Land Rights Transfer Process

The role of notaries as public officials appointed by ministers or designated officials is growing due to the increasing number of people entering into agreements or contracts. This is because notaries are authorized to create authentic deeds that can provide protection to the parties entering into an agreement. The law states that notaries, as public officials, are mandated to create authentic deeds because the deeds they create have perfect evidentiary power due to the authentic nature of the deeds they create and their responsibility to serve the public interest.

The authority of a notary as referred to in Article 15 of Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 concerning the Position of Notary with his profession as the maker of authentic deeds accompanied by the rapid and dynamic development of community needs has increased the intensity and complexity of legal relations which certainly require certainty, order, and legal protection that is based on truth and justice. Understanding the requirements for authenticity and the reasons for the cancellation of a notarial deed is very important to prevent legal defects in notarial deeds that can result in the loss of authenticity and the cancellation of the notarial deed, and to make it easier for every notary to make notarial deeds in accordance with the UUJN and other applicable legal regulations. In society every day there is a process of transferring goods from one person to another. One example of a transfer that is often carried out is the buying and selling process. Article 1457 and 1458 of the Civil Code state that "a sale and purchase is an agreement, by which one party binds himself to

hand over an object, and the other party to pay the promised price.” And “The sale and purchase is deemed to have taken place between the two parties, immediately after these persons reach an agreement regarding the object and its price, even though the object has not been handed over, nor has the price been paid.”

The process of transferring land rights is carried out by the community by making an agreement. This agreement is made before the Land Deed Making Officer (PPAT) by signing the Deed of Sale and Purchase (AJB). If in this sale and purchase process any requirements have not been met, the signing of the AJB cannot be carried out. The notary/PPAT then provides a solution to the above problem by creating a preliminary binding agreement between the seller and buyer known as the Sales and Purchase Binding Agreement (PPJB). Meanwhile, a power of attorney to sell is an option for the process of resolving matters in a land rights sale and purchase binding agreement related to the existence of a debt guarantee agreement between one party and another. The power of attorney to sell is expected to have legal force and legal consequences that arise because there is a legal relationship between the grantor and the grantee. The legal consequences of the power of attorney to sell process in a land rights sale and purchase binding agreement are valid because there has been an agreement between the two parties, so it is also valid for the delegation of power. A Sales and Purchase Binding Agreement with a Power of Attorney to Sell is legally valid as long as the agreement is made in accordance with the requirements for a valid agreement in Article 1320 of the Civil Code. However, this Sale and Purchase Agreement with Power of Attorney cannot be used as collateral in a debt agreement. However, the bank can disburse funds first while the IPH (Land Use Document) and tax validation are being processed. This is a preliminary agreement so that the bank can realize the credit, but with the validity of the data that has been checked beforehand, both by the bank's legal side and the Notary/PPAT. In general, the use of the Sale and Purchase Agreement Deed and the Power of Attorney Deed are widely used by the People's Economic Bank (BPR) in granting credit. This is due to several factors such as takeover sales and purchases, the seller's unwillingness to provide a certificate for inspection, and the main obstacle in Batam City that the transfer of rights must obtain approval from the Batam Regional Development Authority (BP Batam), as the holder of land management rights in Batam City. After signing the PPJB and KUM Deeds before a Notary, the Notary can apply for a Rights Transfer Permit (IPH) to the Batam Regional Development Authority (BP Batam). The role of PPAT in Batam City in terms of transfer of rights can be described as follows; ensuring that BP Batam permits have been issued, guaranteeing the competence of the parties, avoiding transfers without legal basis and providing legal certainty to banks/investors. The legal basis for the transfer of rights in Batam City refers to the following regulations: Law No. 5 of 1960 (UUPA), Government Regulation No. 24 of 1997 concerning Land Registration, Government Regulation No. 18 of 2021 concerning Management Rights, Presidential Decree No. 41 of 1973

concerning the Batam Industrial Area, Regulation of the Head of BP Batam regarding land allocation and transfer and Regulation of the Position of PPAT. Based on the above, it can be concluded that the transfer of land rights in Batam City is special and layered, BP Batam permit is an absolute requirement, PPAT Deeds without BP Batam permits are administratively flawed and potentially void, Notaries/PPATs play an important role in maintaining legal certainty. Notaries who also hold positions as PPATs in Batam City face more challenges compared to other regions in Indonesia. The uniqueness of the Batam area, which is under land management rights, makes the administrative requirements from 1 (one) door into 2 (two) doors, namely BP Batam and BPN. The main obstacle in using the Deed of Sale and Purchase Agreement (PPJB) and the Deed of Power of Attorney to Sell as the basis for the transfer of land rights is that both deeds are not deeds of transfer of rights, but only a preliminary agreement. Therefore, the PPJB and the Deed of Power of Attorney to Sell cannot be used as the basis for registering the transfer of rights at the Land Office before the Deed of Sale and Purchase (AJB) is made by the PPAT. In Batam City, these obstacles are further complicated by the obligation to obtain a Rights Transfer Permit (IPH) from BP Batam as the holder of the Management Rights (HPL). All land in Batam is in principle controlled by the state and its management is delegated to the Batam Authority in the form of Management Rights (HPL).⁷In practice, the mechanisms, requirements, and policies for managing IPH frequently change, leading to legal uncertainty, delays in the transfer of rights, and often hindering the direct signing of the AJB. Another obstacle is the potential legal risk for buyers, particularly if the seller is not acting in good faith, dies, or a dispute arises before the AJB is signed. Furthermore, from a banking perspective, the use of PPJB and Deed of Power of Attorney to Sell as a basis for credit disbursement also carries risks if not balanced with clear clause arrangements and adequate legal protection. As a solution to these obstacles, PPJB and Deed of Power of Attorney to Sell can function as temporary binding legal instruments that provide certainty and legal protection for the parties until all conditions for the transfer of rights are met. PPJB serves to bind the will of the parties regarding the object, price, and their respective obligations, while the Deed of Power of Attorney to Sell authorizes the buyer to carry out the transfer of rights without the presence of the seller once all payments have been made. To increase legal protection, the PPJB must be made in the form of an authentic deed by a notary and contain clear clauses regarding payment of the price, default sanctions, and the processing period. IPH, as well as the seller's obligation to guarantee the validity of the land object. Thus, if a dispute occurs, the PPJB and the Deed of Power of Attorney to Sell can be used as strong evidence. Based on the theory of legal certainty, the deed of sale and purchase agreement and the deed of power of attorney to sell are authentic deeds made by a Notary that provide legal certainty and legal protection for the parties in carrying out a temporary sale and

⁷Boedi Harsono, 2008, Indonesian Agrarian Law: History of the Formation of the UUPA, Its Contents and Implementation, Djambatan, Jakarta, p. 391

purchase transaction until the sale and purchase deed can be signed, where both deeds are made in a sale and purchase that is still constrained by the mechanism of transfer of rights in Batam City and based on the theory of responsibility, the Notary before signing the deed has verified the documents first and explained to the parties about the deed he made.

3.3. Structure of Deed of Sale and Purchase Agreement and Deed of Power of Attorney to Sell

The basic concept of a land sale and purchase transaction is transparent and cash. Transparent means it is conducted openly, with clear ownership of the object and subject, complete documents and proof of ownership. Cash means payment is made immediately and in one go. Sales and purchase taxes are paid, and the sale and purchase deed is signed to process the transfer of title to the certificate at the Land Office. However, in practice, for various reasons, the transparent and cash concept is often not met. Not fulfilling this requirement does not mean the transaction cannot be carried out. Another instrument is the Deed of Sale and Purchase Binding (PPJB) as a token of the sale and purchase transaction. Once all requirements are met, the deed of sale and purchase is signed. Failure to fulfill the requirements for a Deed of Sale and Purchase before a Land Deed Making Officer (PPAT) in Batam City is usually hampered by the Transfer of Rights Permit from the Batam Business Entity. Notaries have both material and formal responsibilities for the deeds they draw up. The Notary is responsible for the validity of the authentic deed he made and if it turns out that there is a legal defect so that the deed loses its authenticity and is detrimental to the interested party, the Notary can be sued to replace the costs, damages and interest. Meanwhile, regarding material responsibility for the deed made before the Notary, it needs to be emphasized that with the Notary's authority in making authentic deeds does not mean that the Notary can freely make authentic deeds according to his wishes without the parties requesting the deed to be made.⁸The Deed of Sale and Purchase Agreement and the Deed of Power of Attorney to Sell are authentic deeds made before a Notary in structure and form in accordance with the provisions of Article 38 of Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 concerning the Position of Notaries. The Deed of Sale and Purchase Agreement and the Deed of Power of Attorney to Sell made by a Notary generally have the following deed structure:

- a. Beginning of the Deed or Head of the Deed.
- b. Opening (Comparison) Contains complete identity information of the parties to the transaction.

⁸Abdul Ghofur Anshori, 2009, Indonesian Notary Institution, UII Press, Yogyakarta, p..47.

- c. Premise, a statement explaining the background to the deed being made, namely the First Party's desire to sell and the Second Party's desire to buy the agreed property object.
- d. Contents of the Agreement (Main Clause), This section regulates the rights and obligations of both parties. Object Identity: Specific description of the property (area, certificate number/SHM/HGB, PBB number, complete address, and boundaries), Price and Payment Method: Total agreed price, payment schedule (in installments or in full), and destination account number, Seller's Obligations: Submit the property object in an empty condition, free from disputes/liens, and assist with the name change process, Buyer's Obligations: Pay the price according to schedule and bear the costs (Tax/BPHTB, Deed, Name Change. Selling Power Clause This clause gives absolute authority to the Buyer to transfer rights to the property:
 - 1) Granting of Power of Attorney: The Seller grants the Buyer power of attorney to carry out all legal actions necessary to transfer rights to the land/building:
 - 2) Nature of Power of Attorney: Made absolutely (onherroepelijk) and cannot be revoked or terminated for reasons regulated in Article 1813 of the Civil Code, usually valid until the AJB is completed.
- e. Sanctions and Default

Regulate the consequences if one of the parties violates the agreement (for example: late fees or unilateral termination of the agreement along with refund rules)

- f. Dispute resolution

Agreement regarding legal steps and selection of legal domicile (court) if a dispute arises that cannot be resolved through deliberation.

- g. Closing

- 1) Statement of the Parties: Declares that both parties are in good health, conscious, and without coercion, and are subject to the contents of the deed.
- 2) Signing: Signatures of the Parties, Notary, and witnesses

4. Conclusion

The position of the Deed of Sale and Purchase Agreement (PPJB) in a sale and purchase is as a preliminary agreement that is obligatory to the main agreement, namely the Deed of Sale and Purchase (AJB). PPJB is an obligatory agreement,

namely an agreement where the parties agree to bind themselves to hand over an object to another party, so that the making of the PPJB does not essentially result in the transfer of ownership of an object from the seller to the buyer. This stage is only an agreement and must be followed by a handover agreement (leveraging), namely the signing of the AJB before the PPAT. Thus, the use of the Deed of Sale and Purchase Agreement and the Deed of Power of Attorney to Sell as the basis for the transfer of land rights in Batam City is a temporary and conditional legal solution, which is valid as long as it is made in accordance with legal provisions, based on good faith, and followed by the fulfillment of all administrative requirements, especially the issuance of a Rights Transfer Permit from BP Batam, before the signing of the Deed of Sale and Purchase as the main agreement. The main obstacle in the implementation of land rights transfer in Batam City is the obligation to obtain a Rights Transfer Permit (IPH) from BP Batam as the holder of the Land Management Rights (HPL) where the mechanism and requirements for processing it in practice often change. This condition creates legal uncertainty and hinders the direct signing of the Sale and Purchase Deed, so that the Sale and Purchase Binding Agreement Deed (PPJB) and the Selling Power of Attorney Deed (KUM) become legal instruments used to bridge the process of transferring rights. Nevertheless, the PPJB and KUM have a strategic function in providing legal certainty and protection for the parties, especially for buyers who have paid the land price, because with the existence of the Selling Power of Attorney Deed, the buyer no longer needs the seller's presence in the process of signing the Sale and Purchase Deed. In addition, for banks, the existence of these two deeds provides legal certainty in credit disbursement while still paying attention to the principle of prudence. The structure of the deed of sale and purchase agreement and the deed of power of attorney to sell are in accordance with the structure and form of the deed mandated in the Civil Code and Article 38 UUJN which consists of the beginning of the deed, the body of the deed and the closing of the deed where the body of the deed contains the agreement of the parties. The preparation of a complete and systematic PPJB structure has an important function in providing legal certainty, legal protection and being a perfect evidence for the parties.

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