

**LAND TITLE FOR BUSINESS OPERATIONS, LAND TITLE FOR  
BUILDING CONSTRUCTION AND THE RIGHT OF UTILISATION OVER LAND  
(Government Regulation No. 40/1996 dated June 17, 1996)**

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering:

- a. that land plays a very significant role in the life of the Indonesian nation or in the implementation of national development carried out as a sustainable effort to realize a just and prosperous society on the basis of Pancasila and the Constitution of 1945;
- b. that, therefore, the regulation of the control over, ownership and utilisation of land must be better geared towards guaranteeing orderliness in the land laws, land administration, land utilisation and land and environmental upkeep so that legal certainty in the land sector in general can be realized;
- c. that in connection with this, it is deemed necessary to lay down further stipulations concerning land title for business operations, land title for building construction and the right of utilisation as meant in CHAPTER II of Law No. 5/1960 in a Government Regulation;

In view of:

1. Article 5 sub-article (2) of the Constitution of 1945;
  2. Law No. 28/1956 on the control over measures taken against the title over estate land (Statute Book of 1956 No. 73, Supplement to Statute Book No. 1125);
  3. Law No. 29/1956 on regulations and measures concerning estate land plots (Statute Book of 1956 No. 74, Supplement to Statute Book No. 1126);
  4. Law No. 5/1960 on basic regulation of agrarian affairs (Statute Book of 1960 No. 104, Supplement to Statute Book No. 2943);
  5. Law No. 16/1985 on apartment houses (Statute Book of 1985 No. 75, Supplement to Statute Book No. 3317);
  6. Law No. 24/1992 on spatial layout arrangement (Statute Book of 1992 No. 115, Supplement to Statute Book No. 3501);
  7. Law No. 4/1996 on a mortgage on land and land-related objects (Statute Book No. 42/1996, Supplement to Statute Book No. 3632);
- Government Regulation No. 10/1961 on land registration (Statute Book of 1961 No. 28, Supplement to Statute Book No. 2171);

**D E C I D E S**

To stipulate:

THE GOVERNMENT REGULATION CONCERNING LAND TITLE FOR BUSINESS OPERATIONS, LAND TITLE  
FOR BUILDING CONSTRUCTION AND THE RIGHT OF UTILISATION OVER LAND

CHAPTER I  
GENERAL PROVISIONS

Article 1

Referred to in this government regulation as:

1. Land title for business operations, land title for business construction and the right of utilisation over land shall be the rights over land as meant in Law No. 5/1960 on basic regulation of agrarian principles.
2. The right of management shall be the state's right of control the authority of whose exercise shall be delegated in part to a holder;

3. A certificate shall be the evidence of a right as meant in Article 19 of the agrarian basic law;
4. Incoming money shall be an amount of money which must be paid by a right recipient upon the bestowal of land title for business operations, land title for building construction and the right of utilisation and their extension as well as their renewal;
5. A land conveyancer shall be a public official vested with an authority to draw up land deeds;
6. A right/title extension shall be the extension of the validity period of (a) particular right/title without altering the requirements for the bestowal of the said right/title;
7. Title/right renewal shall be the bestowal of the same title/right to a holder of the title/right over land which has been owned with land title for a business operation, land title for building construction or the right of utilisation after the expiration of the validity period of the said title/right.

## CHAPTER II THE BESTOWAL OF LAND TITLE FOR BUSINESS OPERATIONS

### First Part

#### The Subject of Land Title for Business Operations

##### Article 2

Those entitled to possess land title for business operations shall be:

- a. Indonesian citizens;
- b. statutory bodies established pursuant to the Indonesian laws and domiciled in Indonesia.

##### Article 3

- (1) A holder of land title for business operations who no longer fulfils the requirement as meant in Article 2 shall be obligated, within one year, to give up or transfer the said land title for business operation to another party fulfilling the requirement.
- (2) If within the period of time as meant in sub-article (1) the said land title for business operation has not been given up or transferred, the said land title for business operation shall, owing to the laws and the land, become state land.

### Second Part

#### Land on which Land Title for Business Operation Can be Bestowed

##### Article 4

- (1) The land on which land title for business operation can be bestowed shall be state land.
- (2) In the event of the land on which land title for business operation shall be bestowed being a forest area, the bestowal of land title for business operation can be conducted after the status of the land as a forest area has been removed.
- (3) In the case of the bestowal of land title for business operation for land which has been controlled with a particular right pursuant to the prevailing stipulation, the stipulation of the said land title for business operation can be enforced only after the giving up of the said title has been completed pursuant to the procedure regulated in the prevailing laws.
- (4) In the event of the land on which land title for business operation shall be bestowed having on it plants and/or a building owned by another party whose presence is based on a legitimate right, the owner of the said building and plants shall be given compensation to be borne by the holder of the new land title for business operation.
- (5) Further stipulations concerning the provision of compensation as meant in sub-article (4) shall be laid down in a Presidential Decree.

##### Article 5

- (1) The minimum area of land on which land title for business operation can be bestowed shall be five hectares.
- (2) The maximum area of land on which land title for business operation can be bestowed shall be twenty-five hectares.
- (3) The maximum area of land on which land title for business operation for a statutory body can be bestowed shall be stipulated by the Minister with account taken of the consideration of the authorized official in the business area concerned, and with consideration being given to the area necessary for the most efficient implementation of a particular business unit on the business area concerned.

**Third Part**  
**The Coming into Being of Land Title for Business Operation**  
**Article 6**

- (1) Land title for business operation shall be bestowed in a decree on title bestowal by the Minister or by an appointed official.
- (2) The stipulation concerning the procedure and the requirements for an application for the bestowal of land title for business operation shall be further regulated in a Presidential Decree.

**Article 7**

- (1) The bestowal of land title for business operation as meant in Article 6 sub-article (1) shall, by way of obligation, be registered in a land book at the Land Office.
- (2) Land title for business operation shall come into being since its registration in a land book at the Land Office pursuant to the prevailing laws.
- (3) As evidence of title, a certificate of land title shall be given to a holder of land title for business operation.

**Fourth Part**  
**The Period of Land Title for Business Operation**  
**Article 8**

- (1) The land title for business operation as meant in Article 6 shall be given for a maximum period of thirty-five years and can be extended for a maximum period of twenty-five years.
- (2) After the period of the land title for business operation and its extension as meant in sub-article (1) has expired, the title holder may be given a renewal of the land title for business operation on the same land.

**Article 9**

- (1) Land title for business operation can be extended at the request of a title holder if the following requirements are met:
  - a. the land is still under good management in accordance with the condition, nature and purpose of the bestowal of the said title;
  - b. the requirements for the bestowal of the said title are well met by the title holder; and
  - c. the title holder still fulfills the requirements for being a title holder.
- (2) Land title for business operation can be renewed at the request of a title holder if the following requirements are fulfilled:
  - a. the land is still under good management in accordance with the condition, nature and purpose of the bestowal of the said title;
  - b. the requirements for the bestowal of the said title are well met by the title holder;
  - c. the title holder still fulfills the requirements for being a title holder.

**Article 10**

- (1) An application for the extension of the period of land title for business operation or its renewal must be filed at the latest two years before the expiration of the period of the said land title for business operation.
- (2) The extension or renewal of land title for business operation shall be recorded in a land book at the Land Office.
- (3) Stipulations on the procedure for an application for the extension or renewal of land title for business operations and its requirements shall be further regulated in a Presidential Decree.

**Article 11**

- (1) In the interest of investment, an application for the extension or renewal of land title for business operations as meant in Article 10 may be undertaken at the same time as the payment of the incoming money stipulated for this purpose when the application for land title for business operation is first filed.
- (2) In the event of the incoming money having been paid at the same time as meant in sub-article (1) the extension or renewal of land title for business operation shall be subject only to the imposition of an administrative fee the amount of which shall be stipulated by the Minister after obtaining the Minister of Finance's approval.
- (3) The approval for being able to grant an extension or renewal of land title for business operation as meant in Article 9 and details of the incoming money as meant in sub-article (2) shall be set forth in the decree on the bestowal of the land title for business operation concerned.

Fifth Part .....  
 (To be continued)

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# LAND TITLE FOR BUSINESS OPERATIONS, LAND TITLE FOR BUILDING CONSTRUCTION AND THE RIGHT OF UTILISATION OVER LAND

(Government Regulation No. 40/1996 dated June 17, 1996)

(Continued from Business News No. 5879 pages 18A - 20A)

## **Fifth Part** **Obligations and Rights of Holders of** **Land Title for Business Operations**

### **Article 12**

- (1) A holder of land title for business operations shall be obligated to:
- pay incoming money to the state;
  - carry out the businesses of agriculture, estate, fishery and/or animal husbandry in accordance with the designation and the requirements stipulated in the decree on the bestowal of the title;
  - utilise for himself the land with land title for business operations in a good manner in accordance with business feasibility based on the criteria stipulated by technical government agencies;
  - construct and maintain environmental infrastructures and land facilities in the environment of the land with land title for business operations;
  - maintain land fertility, prevent damage to natural resources and maintain sustainable environmental capacity pursuant to the prevailing laws;
  - submit an annual written report on the utilisation of the land title for business operations;
  - return the land on which land title for business operations is bestowed to the state after the said land title for business operations has been waived;
  - hand over to the head of a Land Office the certificate of land title for business operations which has been waived.
- (2) A holder of land title for business operations shall be prohibited to leave the management of the land with land title for business operations to another party, except in cases permitted pursuant to the prevailing laws.

### **Article 13**

If land with land title for business operations owing to its geographical or environmental conditions or owing to other reasons is situated in such a way that it shall encircle or block a yard or another plot of land against public traffic or a water course, the holder of the land title for business operations shall be obligated to provide an exit way or a water course or other facilities for the yard or plot of land which is so encircled.

### **Article 14**

- (1) A holder of land title for business operations shall be entitled to control and utilise the land on which the land title for business operations is bestowed to carry out businesses in the areas of agriculture, estate, fishery and or animal husbandry.
- (2) Water sources and other natural resources on the land on which land title for business operations is bestowed can be controlled and utilised by a holder of the land title for business operations only to support the businesses as meant in sub-article (1) with account taken of the prevailing laws and the interests of the local community.

## **Sixth Part** **Conveyance on Land Title for Business Operations**

### **Article 15**

- (1) Land title for business operations can be used as collateral of a debt with the conveyance of a mortgage.
- (2) The mortgage as meant in sub-article (1) shall be waived with the waiving of the land title for business operations.

**Seventh Part**  
**The Transfer of Land Title for Business Operations**

**Article 16**

- (1) Land title for business operations is transferrable and can be transferred to another party.
- (2) The transfer of land title for business operations can occur through the following ways:
  - a. a transaction;
  - b. an exchange;
  - c. participation in capital;
  - d. a grant;
  - e. inheritance.
- (3) The transfer of land title for business operations as meant in sub-article (2) must be registered at a Land Office.
- (4) The transfer of land title for business operations owing to a transaction, auction being excepted, an exchange, participation in capital and a grant shall be conducted in a deed made by a land conveyancer.
- (5) A transaction which is conducted through auction shall have an Auction Official Report as its evidence.
- (6) The transfer of land title for business operations because of inheritance must be proved with a testament or an inheritance letter of certification made by an authorized government agency.

**Eighth Part**  
**Waiving of Land Title for Business Operations**

**Article 17**

- (1) Land title for business operations shall be waived because of:
  - a. the expiration of the period of time as stipulated in the decree on its bestowal or extension;
  - b. the cancellation of the title by an authorized official prior to the expiration of the validity period owing to:
    - 1) the non-fulfillment of the obligations of the title holder and/or the violation of the stipulations as meant in Article 12, Article 13 and/or Article 14.
    - 2) a court ruling with a permanent legal force.
  - c. being voluntarily given up by the title holder prior to the expiration of the validity period;
  - d. revocation based on Law No. 20/1961;
  - e. being neglected;
  - f. devastation of the land;
  - g. the stipulation in Article 3 sub-article (2).
- (2) The waiving of land title for business operations as meant in sub-article (1) shall result in the land becoming state land.
- (3) Further stipulations on the waiving of land title for business operations as meant in sub-article (1) and sub-article (2) shall be regulated in a Presidential Decree.

**Article 18**

- (1) If the land title for business operations is waived and is not extended or renewed, the former title holder shall be obligated to pull down the buildings and objects found on the land and hand over the land and the plants on the said land on which land title for business operations was formerly bestowed to the state within a time limit stipulated by the Minister.
- (2) If the buildings, plants and objects as meant in sub-article (1) are still needed to continue or restore the management of the land, the former title holder shall be given compensation of which the form and the amount shall be further regulated in a Presidential Decree.
- (3) The former holder land title for business operations shall bear the cost for pulling down the buildings and the objects as meant in sub-article (1).
- (4) If a former holder of land title for business operations is negligent in fulfilling his obligations as meant in sub-article (3), the buildings and the objects on the land on which land title for business operations was formerly bestowed shall be pulled down by the government and the former title holder shall bear the cost of this pulling down.

**CHAPTER III  
BESTOWAL OF LAND TITLE FOR BUILDING CONSTRUCTION**

**First Part**

**Subjects of Land Title for Building Construction**

**Article 19**

Those eligible to become holders of land title for building construction shall be:

- a. Indonesian citizens;
- b. statutory bodies established pursuant to the Indonesian laws and domiciled in Indonesia.

**Article 20**

- (1) A holder of land title for building construction who no longer fulfils the requirements as meant in Article 19 shall, within one year, be obligated to give up or transfer the said land title to another party fulfilling the requirements.
- (2) If within the period of time as meant in sub-article (1) the title is not given up or transferred, the said title shall be waived owing to the law.

**Second Part**

**Land on which Land Title for Building Construction  
Can be Bestowed**

**Article 21**

Land on which land title for building construction can be bestowed shall be:

- a. state land;
- b. land with a management right;
- c. land with a proprietary right.

**Third Part**

**Coming into Being of Land Title for Building Construction**

**Article 22**

- (1) Land title for building construction on state land shall be bestowed in a decree on the bestowal of the title by the Minister or by an appointed official.
- (2) Land title for building construction on land with a management right shall be bestowed in a decree on the bestowal of the title by the Minister or by an appointed official on the basis of a suggestion from the holder of the right of management.
- (3) The stipulations on the procedure and the requirements for the application and the bestowal of land title for building construction on state land and on land with a management right shall be further regulated in a Presidential Decree.

**Article 23**

- (1) The bestowal of land title for building construction as meant in Article 22 shall be registered in a land book at a Land Office.
- (2) Land title for building construction on state land or on land with a management right shall come into being as from its registration by a Land Office.
- (3) As evidence of right, a land title certificate shall be given to a holder of land title for building construction.

**Article 24**

- (1) Land title for building construction on land with a proprietary right shall come into being with the bestowal by a holder of the proprietary right with an deed made by a land conveyancer.
- (2) The bestowal of land title for building construction on land with a proprietary right as meant in sub-article (1) shall, by way of obligation, be registered in a Land Office.
- (3) Land title for building construction on land with a proprietary right shall be binding to a third party as from the registration as meant in sub-article (2).
- (4) Stipulations on the procedure for the bestowal and registration of land title for building construction on land with a proprietary right shall be further regulated in a Presidential Decree.

**Fourth Part**  
**Validity Period of Land Title for Building Construction**

**Article 25**

- (1) The land title for building construction as meant in Article 22 shall be bestowed for a maximum period of thirty years and can be extended for a maximum period of twenty years.
- (2) After the expiration of the validity period of land title for building construction and its extension as meant in sub-article (1), a former title holder may be granted renewal of the land title for building construction on the same land.

**Article 26**

- (1) Land title for building construction for state land as meant in Article 22 may, at the request of a title holder, be extended or renewed if the following requirements are met:
  - a. the land is still well used in accordance with the condition, nature and purpose of the bestowal of the said title;
  - b. the requirements for the bestowal of the said title are well fulfilled by the title holder; and
  - c. the title holder still fulfils the requirements as a title holder as meant in Article 19;
  - d. the said land still conforms to the Regional Spatial Layout Plan concerned.
- (2) Land title for building construction on land with a management right shall be extended or renewed at the request of a holder of the land title for building construction after an approval has been obtained from the holder of the management right.

**Article 27**

- (1) An application for the extension of the validity period of land title for building construction or its renewal shall be filed at the latest two years prior to the expiration of the validity period of the said land title for building construction or its extension.
- (2) The extension or renewal of land title for building construction shall be recorded in a land book in a Land Office.
- (3) Stipulations on the procedure for an application for the extension or renewal of land title for building construction and its requirements shall be further regulated in a Presidential Decree.

**Article 28**

- (1) In the interest of investment, a request for the extension and renewal of land title for building construction as meant in Article 25 can be conducted at the same time as the payment of the incoming money stipulated for this respect when the application for land title for building construction is first filed.
- (2) In the event of the incoming money having been paid at the same time as meant in sub-article (1), the extension or renewal of land title for building construction shall be subject to only the imposition of an administrative fee the amount of which shall be stipulated by the Minister after the Minister of Finance's approval has been obtained.
- (3) The approval for the granting of extension or renewal of land title for building construction as meant in Article 26 sub-article (1) and the details of the incoming money as meant in sub-article (2) shall be set forth in the decree on the bestowal of the land title for building construction.

**Article 29**

- (1) Land title for building construction on land with a proprietary right shall be granted for a maximum period of thirty years.
- (2) Upon the agreement between the holder of land title for building construction and the holder of the proprietary right, the land title for building construction on land with a proprietary right can be renewed with the bestowal of a new land title for building construction in a deed made by a land conveyancer and it is obligatory that the said title should be registered.

**Fifth Part**  
**Obligations of Holders of Land Title for Building Construction**

**Article 30**

A holder of land title for building construction shall be obligated to:

- a. pay the incoming money the amount of which and the procedure for the payment of which shall be stipulated in a decree on the bestowal of the title;
- b. utilise the land in accordance with its designation and the requirements as stipulated in the decree and agreement on its bestowal;
- c. well maintain the land the building(s) on it and keep the sustainability of the environment;
- d. return the land on which land title for building construction is bestowed to the state, the holder of a management right or the holder of a proprietary right after the waiving of the land title for building construction;
- e. hand over the certificate of land title for building construction which has been waived to the head of a Land Office.

**Article 31**

If the land with land title for building construction, owing to its geographical or environmental conditions or other reasons is situated in such a way that it shall encircle or block a yard or another plot of land against public traffic or a water course, the holder of the land title for building construction shall be obligated to provide an exit way or a water course or other facilities for the yard or the plot of land so encircled.

**Article 32**

A holder of land title for building construction shall be entitled to control and utilise the land on which the land title for building construction is bestowed for a particular period for the construction and ownership of (a) building(s) for his private purposes or for his business and also for the transfer of the said title to another party and the conveyance on it.

**Sixth Part**  
**Conveyance on Land Title for Building Construction**

**Article 33**

- (1) Land title for building construction may be used as collateral for a debt with the conveyance of a mortgage.
- (2) The mortgage as meant in sub-article (1) shall be waived with the waiving of the land title for building construction.

**Seventh Part**  
**Transfer of Land Title for Building Construction**

**Article 34**

- (1) Land title for building construction is transferrable and can be transferred to another party.
- (2) The transfer of land title for building construction shall occur owing to the following:
  - a. a transaction;
  - b. an exchange;
  - c. participation in capital;
  - d. a grant;
  - e. inheritance.
- (3) The transfer of land title for building construction as meant in sub-article (2) must be registered at a Land Office.
- (4) The transfer of land title for building construction owing to a transaction with the exception of a transaction through auction, an exchange, participation in capital and a grant must be conducted in a deed made by a land conveyancer.
- (5) A transaction conducted through auction shall have an Auction Official Report as its evidence.
- (6) The transfer of land title for building construction owing to inheritance must be proved with a testament or an inheritance letter of certification made by an authorized government agency.
- (7) The transfer of land title for building construction on land with a management right must be conducted with a written approval from the holder of the management right.
- (8) The transfer of land title for building construction on land with a proprietary right must be conducted with a written approval from the holder of the proprietary right concerned.



**Eighth Part**  
**Waiving of Land Title for Building Construction**

**Article 35**

(1) Land title for building construction shall be waived owing to:

- a. the expiration of the validity period as stipulated in the decree on its bestowal or extension or in the agreement on its bestowal;
- b. its cancellation by an authorized official, the holder of a management right or the holder of a proprietary right prior to the expiration of the validity period because of:
  - 1) the non-fulfillment of the obligations of a title holder and/or the violation of the stipulations as meant in Article 30, Article 31 and Article 32; or
  - 2) the non-fulfillment of the requirements or obligations set forth in the agreement on the bestowal of the land title for building construction between the holder of land title for building construction and the holder of the proprietary right or in the agreement on the utilisation of land with the management right; or
  - 3) a court ruling with a permanent legal force;
- c. being voluntarily given up by the title holder prior to the expiration of the validity period;
- d. revocation on the basis of Law No. 20/1961;
- e. being neglected;
- f. devastation of the land;
- g. the stipulation in Article 20 sub-article (2).

(2) Further stipulations on the waiving of land title for building construction as meant in sub-article (1) shall be regulated in a Presidential Decree.

**Article 36**

- (1) The waiving of land title for building construction on state land as meant in Article 35 shall result in the land becoming state land.
- (2) The waiving of land title for building construction on land with a management right as meant in Article 35 shall result in the land being returned to the control of the holder of the management right.
- (3) The waiving of land title for building construction on land with a proprietary right as meant in Article 35 shall result in the land being returned to the control of the holder of the proprietary right.

**Article 37**

- (1) If land title for building construction on state land is waived and not extended or renewed, the former holder of the land title for building construction shall be obligated to pull down (a) building(s) and objects on the land and return the land to the state in a vacant condition at the latest within a year as from the the waiving of the land title for building construction.
- (2) In the event of the building(s) and the objects as meant in sub-article (1) still being needed, the former title holder shall be given compensation the form and the amount of which shall be regulated further in a Presidential Decree.
- (3) The former holder of land title for building construction shall bear the cost of pulling down the building(s) and objects as meant in sub-article (1).
- (4) If the former holder of land title for building construction is negligent in fulfilling the obligation as meant in sub-article (1), the building(s) and the objects on the land on which land title for building construction was formerly bestowed shall be pulled down by the government and the former holder of land title for building construction shall bear the cost of this pulling down.

**Article 38**

If land title for building construction on land with a management right or on land with a proprietary right is waived as meant in Article 35, the former holder of land title for building construction shall be obligated to hand over the land to the holder of the management right or holder of the proprietary right and fulfil the stipulations already agreed upon in the agreement on the utilisation of land with a management right or in the agreement on the bestowal of land title for building construction on land with a proprietary right.

**CHAPTER IV**  
**BESTOWAL OF RIGHT OF UTILISATION**  
**First Part**  
**The Subjects of the Right of Utilisation**  
**Article 39**

Those eligible to possess the right of utilisation shall be:

- a. Indonesian citizens;
- b. statutory bodies established pursuant to the Indonesian laws and domiciled in Indonesia;
- c. Ministries, non-ministerial government institutions and regional administrations,
- d. Religious and social agencies;
- e. Aliens domiciled in Indonesia;
- f. Foreign statutory bodies with representatives in Indonesia;
- g. Representatives of foreign countries and representatives of international agencies.

**Article 40**

- (1) A holder of the right of utilisation no longer fulfilling the requirements as meant in Article 39 shall within one year be obligated to give up or transfer the said right to another party fulfilling the requirements.
- (2) If within the period of time as meant in sub-article (1) the right is not given up or transferred, the said right shall be waived because of the law on provision that the rights of other relevant parties on the said land shall continue to be observed.

**Second Part**  
**Land on which Right of Utilisation Can Be Bestowed**

**Article 41**

Land on which the right of utilisation can be bestowed shall be:

- a. state land;
- b. land with a management right;
- c. land with a proprietary right.

**Third Part**  
**Coming into Being of Right of Utilisation**

**Article 42**

- (1) The right of utilisation on state land shall be bestowed in a decree on the bestowal of the right by the Minister or by an appointed official.
- (2) The right of utilisation on a management right shall be bestowed in a decree on the bestowal of the right by the Minister or by an appointed official on the basis of a suggestion of the holder of the management right.
- (3) Stipulations on the procedure and the requirements for an application for and the bestowal of the right of utilisation on state land and land with a management right shall be further regulated in a Presidential Decree.

**Article 43**

- (1) The right of utilisation as meant in Article 42 shall, by way of obligation, be registered in a land book at a Land Office.
- (2) The right of utilisation on state land and on land with a management right shall come into being as from the registration by the Land Office in a land book pursuant to the prevailing laws.
- (3) As evidence of the right, a certificate of the right over land shall be given to the holder of the right of utilisation.

**Article 44**

- (1) The right of utilisation on a proprietary right shall come into being with the bestowal of the land by the holder of the proprietary right in a deed made by a land conveyancer.
- (2) The bestowal of the right of utilisation on land with a proprietary right as meant in sub-article shall, by way of obligation, be registered in a land book at a Land Office.
- (3) The right of utilisation on land with a proprietary right shall be binding to a third party as from its registration as meant in sub-article (2).

- (4) Other stipulations regarding the procedure for the bestowal and the registration of the right of utilisation on land with a proprietary right shall be regulated further in a Presidential Decree.

#### **Fourth Part** **Validity Period of Right of Utilisation**

##### **Article 45**

- (1) The right of utilisation as meant in Article 42 shall be bestowed for a maximum period of twenty-five years and can be extended for a maximum period of twenty years or shall be bestowed for an indefinite period as long as the land is utilised for a particular purpose.
- (2) After the period of the right of utilisation or its extension as meant in sub-article has expired, the right holder may be given a renewal of the right of utilisation on the same land.
- (3) The right of utilisation bestowed for an indefinite period as long as the land is used for a particular purpose as meant in sub-article (1) shall be bestowed to:
  - a. Ministries, non-ministerial government institutions and regional administrations;
  - b. Representatives of foreign countries and representatives of international agencies;
  - c. Religious and social agencies.

##### **Article 46**

- (1) The right of utilisation on state land can be extended or renewed as meant in Article 45 at the request of the right holder if the following requirements are met:
  - a. the land is still well used in accordance with the condition, nature and purpose of the bestowal of the said right;
  - b. the right holder well fulfils the requirements for the bestowal of the said right;
  - c. the right holder still fulfils the requirements as a right holder as meant in Article 39.
- (2) The right of utilisation on land with a management right can be extended or renewed at the suggestion of the holder of the management right.

##### **Article 47**

- (1) An application for the extension of the period of the right of utilisation or its renewal shall be filed at the latest two years prior to the expiration of the validity period of the said right of utilisation.
- (2) The extension or renewal of the right of utilisation as meant in sub-article (1) shall be recorded in a land book at a Land Office.
- (3) Stipulations on the procedure for an application for the extension or renewal of the right of utilisation and its requirements shall be regulated further in a Presidential Decree.

##### **Article 48**

- (1) In the interest of investment, a request for the extension and renewal of the right of utilisation as meant in Article 47 can be made at the same time as the payment of the incoming money stipulated for this respect when an application for the right of utilisation is first filed.
- (2) In the event of the incoming money being paid at the same time as meant in sub-article (1), the extension or renewal of the right of utilisation shall be subject only to the imposition of an administrative fee the amount of which shall be stipulated by the Minister after the Minister of Finance's approval has been obtained.
- (3) The approval for the granting of the extension or renewal of the right of utilisation as meant in Article 46 sub-article (1) and details of the incoming money as meant in sub-article (2) shall be set forth in the decree on the bestowal of the right of utilisation.

##### **Article 49**

- (1) The right of utilisation on land with a proprietary right shall be bestowed for a maximum period of twenty-five years and cannot be extended.
- (2) Upon the agreement between the holder of the right of utilisation and the holder of the proprietary right, the right of utilisation on land with a proprietary right can be renewed with the bestowal of a new right of utilisation in a deed made by a land conveyancer and it is obligatory that the said right should be registered.

Fifth Part .....  
(To be continued)

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**LAND TITLE FOR BUSINESS OPERATIONS, LAND TITLE FOR BUILDING  
CONSTRUCTION AND THE RIGHT OF UTILISATION OVER LAND**  
(Government Regulation No. 40/1996 dated June 17, 1996)  
(Continued from Business News No. 5880/5881 pages 11A - 18 A)

**Fifth Part**

**Obligations and Rights of Holders of Right of Utilisation**

**Article 50**

A holder of the right of utilisation shall be obligated to:

- a. pay the incoming money the amount of which and the method of payment of which shall be stipulated in the decree on the bestowal of the right or in the agreement on the utilisation of land with a management right or in the agreement on the bestowal of the right of utilisation over land with a proprietary right;
- b. utilise the land in accordance with the designation and the requirements as set forth in the decree on its bestowal or in the agreement on the utilisation of land with a management right or in the agreement on the bestowal of the right of utilisation on land with a proprietary right;
- c. take good care of the land and the building(s) on the it and take care of environmental sustainability;
- d. return the land given with the right of utilisation to the state, the holder of the management right or the holder of the proprietary right after the waiving of the said right of utilisation;
- e. hand over the certificate of the right of utilisation which has been waived to the head of a Land Office.

**Article 51**

If land with the right of utilisation owing to geographical or environmental conditions or because of other reasons is situated in such a way that it shall encircle or block a yard or another plot of land against public traffic or a water course, the holder of the right of utilisation shall be obligated to provide an exit way or a water course or other facilities to the yard or the plot of land so encircled.

**Article 52**

A holder of the right of utilisation shall be entitled to control and utilise the land given with the right of utilisation for a particular period of time for personal or business purposes and to transfer the said right to another party and place conveyance on it or as long as it is used for a particular purpose.

**Sixth Part**

**Conveyance on Right of Utilisation**

**Article 53**

- (1) The right of utilisation on state land and on land with a management right can be used as collateral for a debt with the conveyance on it of a mortgage.
- (2) The mortgage as meant in sub-article (1) shall be waived with the waiving of the right of utilisation.

**Seventh Part**

**Transfer of Right of Utilisation**

**Article 54**

- (1) The right of utilisation bestowed on state land for a particular period time and the right of utilisation on land with a management right shall be transferrable and can be transferred to another party.
- (2) The right of utilisation on land with a proprietary right can be transferred only if such is made possible in the agreement on the bestowal of the right of utilisation on the land with a proprietary right concerned.
- (3) The transfer of the right of utilisation can occur because of:
  - a. a transaction;
  - b. an exchange;
  - c. participation in capital;
  - d. a grant;
  - e. inheritance.

- (4) It is obligatory that the transfer of the right of utilisation as meant in sub-article (3) should be registered at a Land Office.
- (5) The transfer of the right of utilisation owing to a transaction, with the exception of a transaction conducted through auction, an exchange, participation in capital and a grant must be conducted in a deed made by a land conveyancer.
- (6) A transaction conducted through auction shall have an Auction Official Report as its evidence.
- (7) The transfer of the right of utilisation owing to inheritance must be proved with a testament or an inheritance letter of certification made by an authorized government agency.
- (8) The transfer of the right of utilisation over state land must be conducted with a permit from an authorized official.
- (9) The transfer of the right of utilisation over land with a management right must be conducted with a written approval from the holder of the management right.
- (10) The transfer of the right of utilisation over land with a proprietary right must be conducted with a written approval from the holder of the proprietary right concerned.

### Eighth Part Waiving of Right of Utilisation Article 55

- (1) The right of utilisation shall be waived owing to:
  - a. the expiration of the validity period as stipulated in the decree on its bestowal or its extension or in the agreement on its bestowal;
  - b. cancellation by an authorized official, the holder of the management right or the holder of the proprietary right prior to the expiration of the validity period owing to:
    - 1) non-fulfillment of the obligations of the right holder and/or violation of the stipulations as meant in Article 50, Article 51 and Article 52; or
    - 2) non-fulfillment of the requirements or obligations set forth in the agreement on the bestowal of the right of utilisation between the holder of the management right and the holder of the proprietary right or in the agreement on the utilisation of the management right; or
    - 3) a court ruling with a permanent legal force;
  - c. being voluntarily given up by the right holder prior to the expiration of the validity period;
  - d. revocation on the basis of Law No. 20/1961;
  - e. being neglected;
  - f. the devastation of the land;
  - g. the stipulation in Article 40 sub-article (2).
- (2) Further stipulations on the waiving of the right of utilisation as meant in sub-article (1) shall be further regulated in a Presidential Decree.

### Article 56

- (1) The waiving of the right of utilisation over state land as meant in Article 55 shall result in the land becoming state land.
- (2) The waiving of the right of utilisation over land with a management right as meant in Article 55 shall result in the land being controlled again by the holder of the management right.
- (3) The waiving of the right of utilisation over land with a proprietary right as meant in Article 55 shall result in the land being controlled again by the holder of the proprietary right.

### Article 57

- (1) If the right of utilisation over state land is waived and is not extended or renewed, the former holder of the right of utilisation shall be obligated to pull down a building(s) and the objects on it and return the land on the state in a vacant condition at the latest within one year after the waiving of the right of utilisation.
- (2) In the event of the building(s) and the objects as meant in sub-article (1) still being needed, the former right holder shall be given compensation.
- (3) The former holder of the right of utilisation shall bear the cost arising from the pulling down of the building(s) and the objects as meant in sub-article (1).

- (4) If the former holder of the right of utilisation is negligent in fulfilling the obligation as meant in sub-article (1), the building(s) and the objects on the land shall be pulled down by the government and the former holder of the right of utilisation shall bear the cost arising from this pulling down.

#### Article 58

If the right of utilisation over land with a management right or over land with a proprietary right as meant in Article 56, the former holder of the right of utilisation shall be obligated to hand over the land to the holder of the management right or the holder of the proprietary right and fulfil the stipulations already agreed upon in the agreement on the utilisation of land with a management right or in the agreement on the bestowal of the right of utilisation on land with a proprietary right.

### CHAPTER V CALCULATION OF INCOMING MONEY UPON ISSUANCE OF LAND TITLE FOR BUSINESS OPERATIONS, LAND TITLE FOR BUILDING CONSTRUCTION AND RIGHT OF UTILISATION

#### Article 59

- (1) The amount of the incoming money paid to obtain land title for business operations, land title for building construction and the right of utilisation, including the extension or the renewal of the title/right, shall be stipulated by the Minister after obtaining the Minister of Finance's approval.
- (2) Specially for the working territory of Batam Island Industrial Area, the amount of the incoming money to obtain land title for business operations, land title for building construction or the right of utilisation, including the extension or the renewal of the title/right, shall be stipulated by the Chairman of the Batam Island Industrial Area Development Authorities after the approval of the Minister of Finance has been obtained.
- (3) If a title/right holder does not utilise the land in accordance with the purpose of the designation of the land so that the land title for business operations or the land title for building construction or the right of utilisation cannot be extended or renewed, the incoming money already paid in advance shall become the property of the state.

### CHAPTER VI OTHER STIPULATIONS

#### Article 60

The bestowal of land title for business operations, land title for building construction or the right of utilisation over a plot of land which entirely constitutes an island or which borders on the coast shall be separately regulated in a Government Regulation.

### CHAPTER VII TRANSITIONAL PROVISIONS

#### Article 61

- (1) A holder of land title for building construction already obtaining a guarantee for the extension or renewal of the title over the land for a period of twenty years and thirty years respectively as regulated in Government Regulation No. 40/1993 on the bestowal of land title for building construction over land in particular areas in the Province of Riau shall continue to have the guarantee until the expiration of the period of time in which the said guarantee is granted.
- (2) Land title for business operations or land title for building construction or the right of utilisation already granted prior to the enforcement of this government regulation shall remain valid until the expiration of the said land title for business operations or land title for building construction or right of utilisation.

#### Article 62

Pending the issuance of stipulations on the enforcement of this government regulation, the laws on land title for business operations, land title for building construction and the right of utilisation shall remain enforceable as far as they do not contradict the stipulations in this government regulation.

**CHAPTER VIII  
CLOSING PROVISIONS**

**Article 63**

With the enforcement of this government regulation, Government Regulation No. 40/1993 on the granting of land title for building construction over land in particular areas in the Province of Riau shall be declared null and void.

**Article 64**

This Government Regulation shall take effect as from the date of promulgation.

For public cognizance, this government regulation shall be promulgated by publishing it in the Statute Book of the Republic of Indonesia.

Promulgated in Jakarta  
On June 17, 1996  
THE MINISTER/STATE SECRETARY  
sgd.  
M O E R D I O N O

Stipulated in Jakarta  
On June 17, 1996  
THE PRESIDENT OF THE REPUBLIC  
OF INDONESIA  
sgd.  
S O E H A R T O

STATUTE BOOK OF THE REPUBLIC OF INDONESIA 1996 NUMBER 58

**ELUCIDATION  
ON  
GOVERNMENT REGULATION NO. 40/1996  
CONCERNING  
LAND TITLE FOR BUSINESS OPERATIONS,  
LAND TITLE FOR BUILDING CONSTRUCTION AND  
THE RIGHT OF UTILISATION OVER LAND**

**GENERAL**

Land constitutes a very important factor in the life of a community, particularly within the most of whose members depend on land for their lives. In the framework of national development and prosperous society based on Pancasila and the Constitution of 1945, land also constitutes assets, both as a place where development is carried out or as a production factor to generate ties which are greatly needed to raise national income. The position of land in national development is stated in Decree of the People's Consultative Assembly of the Republic of Indonesia No. II Broad Outlines of the State's Course, which among other things decrees the following: "The land control by the state shall be geared in such a way that its utilisation can bring into Indonesian people, while the re-arrangement of land utilisation shall be implemented in a way that translates into reality optimum prosperity of the people. Re-arrangement in the utilisation of land must account people's rights over land, the social function of land title, the maximum limit of various efforts to prevent the concentration of land control which harms people's interests of land affairs shall be improved so that it shall better realize an integrated, harmonious affairs management system, encompassing a living administrative order. The activity to develop land affairs must be intensified and supported by better analysis instruments and information affairs.

Basic stipulations on land in Indonesia are set forth in Law No. 5/1960 on basic regulation better known as the Law on Agrarian Principles, which contains the principles of Indonesian land. Although most of the articles provide stipulations on the rights over land, as stipulation regulation substance more detailed in nature must still be stipulated. This need for more regulation for over three decades has been fulfilled by operational technical regulation in a form of government regulation. As land problems assume greater complexity while the need for order in the

land affairs becomes greater, there is a bigger need for an enforcement regulation of the Law with a higher level in status, namely in the form of a government regulation, which shall further stipulations on the rights over land regulated in Article 16 of the Law on Agrarian with regard to land title for business operations, land title for building construction and rights over land with a validity period limited to a particular period of time, land title for building construction and the right of utilisation shall require clarity about a among other things the requirements to obtain them, the authority and the obligations of the holder of land and objects on it after the said title/right expires. This clarity is greatly needed to provide certainties, both to the right holder, to the government as the party enforcing the Law on third party.

In connection with the said rights, it is deemed necessary in the framework of enforcing the sub-article (2) of the Law on Agrarian Affairs to lay down further stipulations on land title for building construction and the right of utilisation in order to complement the Law on Agrarian Affairs

#### ARTICLE BY ARTICLE

##### Article 1

Figure 1 : Sufficiently clear.

Figure 2 : Sufficiently clear.

Figure 3 : Sufficiently clear.

##### Figure 4

Incoming money originating in the bestowal of a particular right over land shall constitute receipts which must be deposited through the state's treasury office.

Figure 5 : Sufficiently clear.

Figure 6 : Sufficiently clear.

Figure 7 : Sufficiently clear.

Figure 8 : Sufficiently clear.

Article 2: Sufficiently clear.

##### Article 3

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

##### Article 4

Sub-article (1) : Sufficiently clear.

##### Sub-article (2)

State land given with land title for business operations must be free from other parties' if the state land is part of a forest area, which means that this land must be utilised for the foregoing regulations, the said land must first have its status as a forest area removed.

Sub-article (3) : Sufficiently clear.

##### Sub-article (4)

Referred to as plants and buildings whose existence is based on a legitimate right shall be buildings owned by a former holder of land title for business operations.

Sub-article (5) : Sufficiently clear.

##### Article 5

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

Sub-article (3) : Sufficiently clear.

##### Article (6)

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

##### Article 7

Sub-article (1) : Sufficiently clear.

##### Sub-article (2)

Prior to being registered pursuant to the prevailing stipulations, land title for business operations shall be entered into the land register and the land is still state land in status.



The said term of "coming into being" has been in existence since the issuance of the Law on periods after this the term "coming into being" is understood as having the same meaning. Sub-article (3) : Sufficiently clear.

#### Article 8

##### Sub-article (1)

The extension of the validity period of the title shall not terminate the validity of the title and shall continue to exist, forming a unity with the former validity period of the title. This case does not affect the rights of other parties' rights conveyed on land title for business operations, for example, the rights are waived automatically if the land title for business operations is waived.

Sub-article (2) : Sufficiently clear.

#### Article 9

##### Sub-article (1)

This stipulation is established to guarantee the continuity of the business of a title holder. The business is well, namely with a guarantee of the extension of the land title for business operations stipulated in this sub-article are met.

Sub-article (2) : Sufficiently clear.

#### Article 10

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

Sub-article (3) : Sufficiently clear.

#### Article 11

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

Sub-article (3) : Sufficiently clear.

#### Article 12

Sub-article (1) : Sufficiently clear.

##### Sub-article (2)

In certain cases, the activity of managing land with land title for business operations can be carried out on the basis of cooperation with other parties.

The stipulations of the laws referred to in this sub-article shall be the laws which are applicable.

#### Article 13

The bestowal of land title for business operations must not result in the land encircled by the title for business operations from being unable to be physically used. Therefore, the holder of the land title for business operations shall be obligated to provide an opportunity to the holder of the right of way to have the necessary access.

#### Article 14

Sub-article (1) : Sufficiently clear.

##### Sub-article (2)

As in general land title for business operations covers an extensive plot of land, in the land title for business operations a water source or other natural resources are often found. The holder of the land title for business operations shall be entitled to utilise these natural resources as far as this is necessary for the business being conducted, with account being taken of the prevailing laws and the interests of the community.

#### Article 15

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

Sub-article (3) : Sufficiently clear.

Sub-article (4) : Sufficiently clear.

Sub-article (5) : Sufficiently clear.

Sub-article (6) : Sufficiently clear.

#### Article 16

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

#### Article 17

Sub-article (1)

This stipulation is the spelling out of the stipulation in Article 34 of the Law on  
Letter a : Sufficiently clear.

Letter b

Figure 1): Sufficiently clear.

Figure 2): Sufficiently clear.

Letter c : Sufficiently clear.

Letter d : Sufficiently clear.

Letter e : Sufficiently clear.

Letter f

In the event of the waiving of land title for business operations owing to the devastation of the land with land title for business operations which has been devastated which shall be in part shall continue to be controlled with land title for business operations. For adjustment the Land Office, this change must also be registered at the Land Office.

Letter g : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

Sub-article (3)

In this regulation it is among other things also stipulated a stipulation on further utilization with account taken of the spatial layout arrangement, the maintenance of natural resources as well as the interests of the former title holder.

#### Article 18

Sub-article (1) : Sufficiently clear.

Sub-article (2)

The stipulation on whether or not the said building shall be needed for the continuance or management of the land with land title for business operations is laid down with account to the former holder of the land title for business operations and the new title holder.

Sub-article (3) : Sufficiently clear.

Sub-article (4) : Sufficiently clear.

#### Article 19

Letter a : Sufficiently clear.

Letter b

Included in the definition of statutory bodies shall be all institutions which pursuant to given the status as statutory bodies, for example limited liability companies, cooperative foundations and so forth.

#### Article 20

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

#### Article 21

Unlike land title for business operations, land title for building construction can also be management right and land with a proprietary right.

#### Article 22

Sub-article (1) : Sufficiently clear.

Sub-article (2)

In conformity with the purpose of authority delegation through the granting of a management of land title for building construction over land with a management right shall be conducted prospective title holder appointed by the holder of the management right.

Sub-article (3) : Sufficiently clear.

#### Article 23

Sub-article (1) : Sufficiently clear.

Sub-article (2) : Sufficiently clear.

Sub-article (3) : Sufficiently clear.

Article 24 .....  
(To be continued)

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**LAND TITLE FOR BUSINESS OPERATIONS, LAND TITLE FOR BUILDING  
CONSTRUCTION AND THE RIGHT OF UTILISATION OVER LAND**

**(Government Regulation No. 40/1996 dated June 17, 1996)**

*(Continued from Business News No. 5882 pages 17A - 23A)*

**Article 24**

**Sub-article (1)**

The bestowal of land title for building construction on land with a proprietary right constitutes in principle conveyance undertaken by the holder of the proprietary right on the land he owns. Therefore this bestowal shall be conducted in an agreement between the holder the proprietary right and the prospective holder of land title for building construction mentioned in the deed made by a land conveyancer.

**Sub-article (2)**

As conveyance on a particular registered right, land title for building construction on land with a proprietary right must be registered by means of making a land book and its records in a land book and certificate of the land with the proprietary right concerned.

**Sub-article (3)**

Although land title for building construction comes into being with the drawing up of the deed of the land conveyancer referred to in sub-article (1), it shall not be binding to a third party until it is registered at a Land Office.

**Sub-article (4)**

Sufficiently clear.

**Article 25**

**Sub-articles (1) and (2)**

See elucidation to Article 8.

**Article 26**

**Sub-article (1)**

This stipulation is established to guarantee the continuity of the control over land with land title for building construction which is generally utilised for a dwelling place, which constitutes the community's essential need.

The extension and renewal of land title for building construction shall be granted at the request of the holder of the title. To this end, in granting the extension and renewal of the said title, an evaluation must first be made to find out whether the holder of the said land title for building construction still uses the land in accordance with the stipulations laid down in the decree on the bestowal of the land title for building construction for the first time and not in violation of the prevailing Spatial Layout Arrangement General Plan.

See elucidation to Article 8.

**Sub-article (2)**

Sufficiently clear.

**Article 27**

**Sub-articles (1) up to (3)**

Sufficiently clear.

**Article 28**

**Sub-articles (1) up to (3)**

Sufficiently clear.

**Article 29**

**Sub-article (1)**

Sufficiently clear.

**Sub-article (2)**

The validity period of land title for building construction bestowed on land with a proprietary right shall be extended with the bestowal of new land title for building construction in a new agreement.

**Article 30**

Sufficiently clear.

**Article 31**

See elucidation to Article 13.

## Article 32

The right to set up and own a building can be exercised by establishing cooperation with another party.

## Article 33

Sub-articles (1) and (2)

Sufficiently clear.

## Article 34

Sub-articles (1) up to (8)

Sufficiently clear.

## Article 35

Sub-article (1)

This stipulation spells out the stipulation of Article 40 of the Law on Agrarian Principles.

Letter a

Sufficiently clear.

Letter b

Figures 1) up to 3)

Sufficiently clear.

Letters c up to e

Sufficiently clear.

Letter f

In the event of the land being devastated, the land title for building construction shall be waived as from the devastation of the land.

Letter g

Sufficiently clear.

Sub-article (2)

This regulation stipulates among other things further utilisation of and control over the land with account taken of the spatial layout, the maintenance of natural resources and the environment and the interests of the former title holder.

## Article 36

Sub-articles (1) up to (3)

Sufficiently clear.

## Article 37

Sub-article (1)

Sufficiently clear.

Sub-article (2)

The stipulation on whether or not the building (s) and the objects are still needed shall be conducted on the basis of public interests with account taken of the interests of the former title holder and further designation of the land.

Sub-articles (3) and (4)

Sufficiently clear.

## Article 38

The settlement of the control over former land title for building construction on land with a management right and on land with a proprietary right after the waiving of the land title for building construction shall be implemented in accordance with the agreement on the utilisation of the land with a management right between the holder of the management right and the holder of the land title for building construction or the agreement on the bestowal of the land title for building construction between the holder of the proprietary right and the holder of the land title for building construction.

## Article 39

Letters a up to d

Sufficiently clear.

Letter e

An alien regarded as being domiciled in Indonesia shall be one whose presence in Indonesia benefits national development.

Letters f and g  
Sufficiently clear.

Article 40

Sub-articles (1) and (2)  
Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sub-articles (1) up to (3)  
Sufficiently clear.

Article 43

Sub-articles (1) up to (3)  
Sufficiently clear.

Article 44

Sub-articles (1) up to (4)  
Sufficiently clear.

Article 45

Sub-article (1)

The right of utilisation can also be bestowed for an indefinite period as long as the land is utilised for a particular purpose. This is aimed at guaranteeing sustainable fulfillment of the need for land for a particular purpose, for example for the purpose of the office of a government institution, for the office of a foreign representative and the representative of an international agency along with the residence of the head of the representative office and for the purpose of the implementation of the function of religious and social agencies.

The right of utilisation bestowed for an indefinite period as long as the land is utilised for a particular purpose cannot be transferred to another party, but can be given up by the right holder so that the land shall become state's land with respect to which a new right can be applied for by the aforesaid other party.

Sub-articles (2) and (3)  
Sufficiently clear.

Article 46

Sub-article (1)

This stipulation is established to provide legal certainty to the continuity of the control of the land with the right of utilisation, which is generally utilised as a dwelling place and for personal purposes of the holder of the right of utilisation.

The extension and renewal of the right of utilisation shall be granted at the request of the right holder. To this end, in granting the extension or renewal of the said right, an evaluation must first be made to find out whether the said holder of the right of utilisation still uses the land in accordance with the stipulations laid down in the decree on the bestowal of the right of utilisation for the first time.

Sub-article (2)  
Sufficiently clear.

Article 47

Sub-articles (1) up to (3)  
Sufficiently clear.

Article 48

Sub-articles (1) up to (3)  
Sufficiently clear.

Article 49

Sub-articles (1) and (2)  
Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

See elucidation to Article 13.

**Article 52****Sufficiently clear.****Article 53****Sub-articles (1) and (2)****Sufficiently clear.****Article 54****Sub-articles (1) up to (10)****Sufficiently clear.****Article 55****Sub-article (1)****Sufficiently clear.****Sub-article (2)**

**This regulation stipulates among other things further utilisation of and control over the land with account taken of the spatial layout, the maintenance of natural resources and the environment and the interests of the former right holder.**

**Article 56****Sub-articles (1) up to (3)****Sufficiently clear.****Article 57****Sub-articles (1) up to (4)****Sufficiently clear.****Article 58****Sufficiently clear.****Article 59****Sub-articles (1) up to (3)****Sufficiently clear.****Article 60**

**With the establishment of this stipulation, new applications for the rights over land entirely constituting an island shall not be attended to until a government regulation regulating this matter is stipulated.**

**Article 61****Sub-articles (1) and (2)****Sufficiently clear.****Article 62****Sufficiently clear.****Article 63****Sufficiently clear.****Article 64****Sufficiently clear.**