

## **ABSTRACT**

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### **“LEGALITY AND CONSEQUENCE OF NOMINEE ARRANGEMENT IN LAND OWNERSHIP BY FOREIGNERS (CASE STUDY OF SUPREME COURT’S DECISION NO. 3403 K/PDT/2016”**

(xi+108 pages)

The Nominee Agreement is an agreement that often used by foreign parties because of certain prohibitions on land and property ownership, as regulated under No. 5 of 1960 on Basic Agrarian Provisions (“Agrarian Law”) Foreign parties are limited the right use and/or to own up to one property. Over times, a lot of cases have occurred on the island of Bali, Indonesia. An example of this is contained in the Supreme Court's decision No. 3403 K / Pdt / 2016 which has given the possibility for foreign parties to have ownership rights over land indirectly or is referred to as legal smuggling and can be categorized as tort law by make an agreement called the nominee agreement. The agreement is deemed to have violated the rules stipulated in Article 26 paragraph (2) of the LoGA. The foreign parties act as the beneficiary and Indonesian parties as the nominee under nominee schemes. Article 21 of the BAL stipulate that land and property ownership is restricted to Indonesian citizen (WNI). In a nominee agreement, the owner conveys property to a nominee who the latter consents to hold and execute transactions on behalf of the owner. For legal purposes, a nominee agreement represents an arrangement in which the owner registers the property in the name of a nominee so that the latter legally holds the property and all the rights related to it such as mortgages, interests, easements, licenses, leases, by-laws and charges. Unlike the owner, the nominee has no beneficial interest in the property. because the intent and purpose of the establishment of the deed has violated the rules regarding the legal requirements of an agreement regulated in Article 1320 of the Civil Code, one of the legal terms of the agreement which states that an agreement must have a lawful cause. Thus, the legal consequences arising from the agreement are null and void by law.

**Keywords: Nominee in tort law, Nominee Arrangement In Land Ownership  
References: 27 (1976-2018)**