



The Authority of Notaries in Preventing Nominee Arrangements: Legal Certainty and Productive Land Conversion

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Abstract

Increasing tourism and foreign investment in Bali have intensified the use of nominee arrangements to circumvent restrictions on foreign land ownership under Indonesian agrarian law. Beyond undermining the nationality principle, such arrangements contribute to productive land conversion, creating challenges for legal certainty, land governance, and environmental sustainability. This study examines the legal construction of nominee arrangements under Bali Regional Regulation Number 4 of 2026 concerning the Control of Productive Land Conversion and the Prohibition of Nominee-Based Land Ownership Transfer and analyzes the normative basis for the preventive authority of notaries in addressing such practices. This study employs normative legal research using statutory and conceptual approaches through the analysis of legislation, legal doctrines, and relevant legal literature. The findings demonstrate that nominee arrangements constitute unlawful legal constructions because they conflict with the nationality principle under the Basic Agrarian Law and the lawful cause requirement under the Indonesian Civil Code. Bali Regional Regulation 4/2026 complements the national agrarian framework by linking nominee arrangements to productive land protection, although it leaves unresolved normative issues regarding intermediary and facilitator liability. The study further finds that the preventive authority of notaries is normatively derived from the harmonization of the Notary Office Law, the Principle of Recognizing Service Users, and beneficial ownership verification, requiring professional legal verification rather than investigative authority. Regulatory harmonization is therefore essential to strengthen legal certainty and improve the prevention of nominee-based land control and productive land conversion.

Kata kunci:

Alih fungsi lahan produktif;
Kepastian hukum; Notaris;
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Abstrak

Meningkatnya perkembangan pariwisata dan investasi asing di Bali telah mendorong penggunaan nominee arrangement sebagai sarana untuk menghindari pembatasan kepemilikan hak atas tanah bagi warga negara asing dalam hukum agraria Indonesia. Selain bertentangan dengan asas nasionalitas, praktik tersebut turut mendorong alih fungsi lahan produktif sehingga menimbulkan persoalan terhadap kepastian hukum, tata kelola pertanahan, dan keberlanjutan lingkungan. Penelitian ini bertujuan untuk menganalisis konstruksi hukum nominee arrangement berdasarkan Peraturan Daerah Provinsi Bali Nomor 4 Tahun 2026 tentang Pengendalian Alih Fungsi Lahan Produktif dan Larangan Pengalihan Kepemilikan Tanah Berbasis Nominee, serta menganalisis dasar normatif kewenangan preventif notaris dalam mencegah praktik tersebut. Penelitian ini merupakan penelitian hukum normatif dengan menggunakan pendekatan peraturan perundang-undangan dan pendekatan konseptual melalui analisis terhadap peraturan perundang-undangan, doktrin hukum, dan literatur yang relevan. Hasil penelitian menunjukkan bahwa nominee arrangement merupakan konstruksi hukum yang bertentangan dengan asas nasionalitas dalam Undang-Undang Pokok Agraria dan syarat sebab yang halal dalam Kitab Undang-Undang Hukum Perdata. Peraturan Daerah Provinsi Bali Nomor 4 Tahun 2026 melengkapi kerangka hukum agraria nasional dengan menghubungkan nominee arrangement dengan perlindungan lahan produktif, meskipun masih menyisakan ketidakjelasan normatif mengenai pertanggungjawaban pihak perantara dan fasilitator. Penelitian ini juga menemukan bahwa kewenangan preventif notaris secara normatif bersumber dari harmonisasi Undang-Undang Jabatan Notaris, Prinsip Mengenali Pengguna Jasa, dan verifikasi beneficial ownership yang menekankan verifikasi hukum profesional, bukan kewenangan investigatif. Harmonisasi regulasi diperlukan untuk memperkuat kepastian hukum dan meningkatkan efektivitas pencegahan penguasaan tanah berbasis nominee serta alih fungsi lahan produktif.

1. Introduction

Land as a strategic natural resource occupies a vital position within the Indonesian legal system, not merely as an economic asset but also as a means of fulfilling basic human needs and supporting social welfare. Indonesian agrarian law recognizes the social function of land, requiring its utilization to be directed toward the greatest prosperity of the people. Conditions in Bali Province demonstrate that land possesses not only significant economic value arising from tourism and investment activities, but also cultural, social, and ecological functions that remain deeply embedded within community life. Land therefore cannot be viewed solely as an economic commodity, as its utilization simultaneously affects social relations, environmental sustainability, and the broader

public interest.¹ Such circumstances place land in a strategic position for maintaining a balance between development objectives and environmental preservation.

The increasing pace of development and investment, particularly within the tourism and property sectors, has accelerated the conversion of productive land into non-agricultural use. This phenomenon has contributed directly to the reduction of productive agricultural land and has adversely affected food security and environmental sustainability. Uncontrolled land conversion may also generate conflicts between economic development interests and the obligation to safeguard environmental protection and spatial planning systems. Effective control of land conversion therefore requires an integrated legal framework operating at both national and regional levels. The conversion of agricultural land further diminishes food production capacity and weakens the sustainability of local agricultural systems, particularly where spatial utilization is not subject to adequate regulatory control.

Restrictions on land ownership by foreign nationals under the Indonesian agrarian legal system have, in practice, encouraged the emergence of various legal circumvention schemes, including nominee arrangements or borrowed-name practices. Such arrangements commonly arise because foreign nationals seek greater control over land for business or investment purposes but are unable to acquire ownership rights directly due to the nationality principle governing Indonesian agrarian law. Article 21 paragraph (1) of Law Number 5 of 1960 concerning Basic Agrarian Principles (hereinafter referred to as the UUPA), which expressly provides that “only Indonesian citizens may hold ownership rights over land.” The prohibition is further reinforced by Article 26 paragraph (2) of the UUPA, which declares null and void any legal act intended to directly or indirectly transfer ownership rights over land to foreign nationals. Under such arrangements, foreign parties indirectly exercise control over land by placing Indonesian citizens as formal title holders, while actual control remains with parties who are not legally entitled to possess such rights. The relationship between the nominal owner and the beneficial owner is commonly established through concealed agreements that are not always reflected in authentic deeds, making such arrangements difficult to identify and supervise from a legal perspective. These circumstances raise questions regarding the validity of the underlying agreements and undermine the national land law system by conflicting with the principles of legal certainty and nationality governing land tenure arrangements. Judicial practice has likewise demonstrated that nominee arrangements are frequently established as instruments for circumventing statutory prohibitions on foreign ownership of land, thereby creating legal uncertainty concerning both the validity of the agreement and the status of the underlying land rights.²

Nominee arrangements in land control create consequences extending beyond issues of ownership legality and directly affect spatial planning and land utilization. Concealed control of land by unauthorized parties tends to encourage the commercialization of land

¹ Ni Luh Budhi Arsini and I Gede Surata, “Akibat Hukum Dari Alih Fungsi Lahan Pertanian Pangan Berkelanjutan Terhadap Penguasaan Dan Pemilikan Tanah Pertanian Di Kecamatan Buleleng, Kabupaten Buleleng,” *Kertha Widya Jurnal Hukum* 8, no. 1 (2020): 1–20.

² Budiyanto, Ismansyah, and Azmi Fendri, “Pertanggungjawaban Notaris Terhadap Pembuatan Perjanjian Nominee Berdasarkan Putusan Pengadilan Negeri Gianyar Nomor:259/Pdt.G/2020/Pn.Gin,” *UNES Law Review* 6, no. 4 (2024): 2458–68, <https://doi.org/doi.org/10.31933/unesrev.v6i4>.

use, particularly for investment and tourism development purposes. Bali Province has experienced increasing pressure from tourism and investment activities, resulting in a growing tendency toward land conversion that is not always consistent with the principles of environmental protection and spatial planning. Such conditions have accelerated the conversion of productive land into non-agricultural areas, thereby increasing pressure on environmental sustainability and long-term food security.

The Government of Bali Province subsequently enacted Regional Regulation of Bali Province Number 4 of 2026 concerning the Control of Productive Land Conversion and the Prohibition of Nominee-Based Land Ownership Transfer (hereinafter referred to as Bali Regional Regulation 4/2026) as a legal instrument aimed at controlling land conversion while simultaneously suppressing nominee arrangements. The prohibition of nominee practices is expressly reflected in Article 7 paragraph (1) of Bali Regional Regulation 4/2026, which stipulates that “every person is prohibited from conducting nominee-based land ownership transfers.” The General Elucidation of Bali Regional Regulation 4/2026 further emphasizes that nominee-based land ownership transfers have generated economic, social, and environmental consequences, thereby necessitating legal regulation capable of providing both direction and prohibition in order to ensure legal certainty. The Regulation also places the prevention of nominee arrangements within a broader policy framework aimed at protecting productive land and maintaining ecological balance and food security throughout Bali Province.

Bali Regional Regulation 4/2026 nevertheless leaves unresolved normative issues, particularly concerning legal subjects that may be involved in nominee arrangements. Although the Regulation expressly prohibits any person from acting as an intermediary, facilitator, or provider of means in nominee practices, it does not specifically identify professions or parties that, in practice, occupy a strategic position within such legal arrangements. The absence of such clarification creates broad interpretative space and may give rise to legal uncertainty in its implementation, particularly when associated with the authority of notaries who are directly involved in the preparation of deeds and the formalization of legal relationships concerning land control.

The position of notaries warrants further examination given their authority as public officials entrusted with the preparation of authentic deeds relating to various legal acts, including those concerning land control and the transfer of land rights. Such authority is expressly stipulated in Article 15 paragraph (1) of Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 concerning the Office of Notary (hereinafter referred to as the UUJN-P), which provides that “Notaries are authorized to draw up authentic deeds concerning all acts, agreements, and stipulations required by laws and regulations and/or desired by interested parties to be stated in an authentic deed.” The authority of notaries extends beyond merely formalizing the intentions of the parties into authentic deeds. Notaries are also required to ensure that legal acts embodied in such deeds do not conflict with prevailing laws and regulations.

This obligation is reflected in Article 16 paragraph (1) letter a of the UUJN-P, which requires notaries to “act honestly, thoroughly, independently, impartially, and safeguard the interests of parties involved in legal acts.” The requirement to act thoroughly demonstrates that notaries cannot be positioned solely as recorders of the parties’ intentions, but must also exercise professional judgment in assessing the legality and

objectives of legal acts presented before them. Accordingly, notaries occupy a strategic position in preventing legal irregularities, including nominee arrangements, through verification, clarification, and legal advisory functions prior to the execution of authentic deeds.

Contemporary developments in notarial practice place notaries in a authority that extends beyond the formal preparation of authentic deeds and includes preventive functions against the misuse of legal instruments. Such developments are reflected in the implementation of the Principle of Recognizing Service Users (*Prinsip Mengenali Pengguna Jasa/PMPJ*), which requires notaries to conduct identification, verification, and monitoring of service users to ensure the validity and transparency of legal relationships established through legal transactions. The implementation of PMPJ is currently governed by Minister of Law Regulation Number 10 of 2026 concerning the Implementation of the Principle of Recognizing Service Users for Notaries (hereinafter referred to as the PMPJ Regulation). Article 2 paragraph (2) of the Regulation provides that PMPJ shall be carried out through the identification, verification, and monitoring of service users.

The principle also forms part of international standards developed by the Financial Action Task Force (FATF) to prevent money laundering and terrorism financing. Within the context of nominee arrangements, these standards are particularly relevant for identifying beneficial owners who may intentionally conceal their interests behind formally registered parties. Identification of beneficial owners therefore constitutes an essential component of PMPJ implementation in preventing the misuse of legal structures within transactions. Notaries consequently possess legal instruments capable of identifying potential nominee arrangements at the earliest stage of legal relationship formation.

Practical issues nevertheless remain regarding the optimization of the preventive authority of notaries in addressing nominee arrangements, particularly in relation to land control. Notaries are expected to implement the principle of prudence through due diligence mechanisms designed to identify parties who possess actual interests in a transaction. The absence of explicit provisions in Bali Regional Regulation 4/2026 regarding the involvement of notaries in nominee prohibitions, however, creates uncertainty concerning the scope of responsibility and the authority expected of notaries. Such circumstances place notaries in a challenging position between their obligation to provide legal services to the public and their duty to refuse legal acts that contravene prevailing laws and regulations. Consequently, notaries bear professional and legal responsibility to refuse the execution of deeds that are known, or reasonably suspected, to facilitate nominee arrangements or other forms of legal circumvention.

Previous studies have examined nominee arrangements and notarial responsibility from various legal perspectives. Oktasari, Hasan, and Syamsir analyzed the liability of notaries in the preparation of nominee deeds through an examination of Decision of the Gianyar District Court Number 259/Pdt.G/2020, focusing on the legal consequences of nominee agreements and the extent of notarial responsibility arising from such transactions.³ Their study primarily addressed the validity of nominee agreements and the legal consequences

³ Elva Melvina Oktasari, Umar Hasan, and Syamsir, "Pertanggungjawaban Notaris Dalam Pembuatan Akta Nominee : Analisis Putusan PN Gianyar No . 259 / Pdt . G / 2020," *ASAS WA TANDHIM Jurnal Hukum, Pendidikan & Sosial Keagamaan* 5, no. 2 (2026): 435–44.

borne by notaries involved in the preparation of deeds associated with nominee structures.

A different perspective was presented by Azzahra, who examined the implementation of the prudential principle by notaries in preventing nominee agreements involving foreign nationals. The study emphasized the importance of prudential measures in identifying legal risks associated with nominee arrangements and highlighted the preventive authority of notaries in ensuring compliance with agrarian law.⁴ While providing valuable insights into notarial practice, the analysis remained focused on professional obligations and preventive measures within the framework of existing notarial duties.

Research conducted by Masum, Sulistyandari, and Prihatinah further examined the responsibility of notaries in the preparation of nominee agreements involving foreign nationals, particularly in relation to the distinction between legal ownership and beneficial ownership within nominee structures.⁵ The study contributed to the discussion on notarial accountability and the legal implications of nominee arrangements but did not address the broader regulatory framework governing productive land protection or regional legal policies concerning nominee-based land control.

Collectively, these studies demonstrate that existing scholarship has predominantly examined nominee arrangements from the perspectives of contractual validity, notarial liability, and the implementation of prudential principles. Such studies remain valuable in explaining the private law consequences of nominee agreements and the professional responsibilities of notaries. Nevertheless, they have not resolved a broader doctrinal issue concerning the legal position of nominee arrangements following the enactment of Bali Regional Regulation Number 4 of 2026. The introduction of this Regulation fundamentally changes the legal landscape by no longer treating nominee arrangements solely as private legal constructions intended to circumvent the nationality principle under the Basic Agrarian Law, but also as conduct capable of accelerating productive land conversion and undermining environmental sustainability, food security, and regional land governance.

This regulatory development gives rise to new legal questions that have not yet been comprehensively examined in previous scholarship. It remains unclear how nominee arrangements should be legally construed when they simultaneously violate agrarian law and regional regulatory policy designed to protect productive land. Likewise, the preventive role of notaries can no longer be assessed merely from the perspective of drafting authentic deeds or exercising prudential principles, but must also be evaluated within the broader framework of regional legal policy aimed at preventing nominee-based land control. These unresolved doctrinal questions require a fresh legal interpretation regarding the interaction between national agrarian law, notarial law, and regional regulatory instruments.

⁴ Syifa Azzahra, "Prinsip Kehati-Hatian Notaris Dalam Pembuatan Perjanjian Nominee Bagi Warga Negara Asing Sebagai Dasar Peralihan Hak Atas Tanah," *Acten Journal Law Review* 2, no. 1 (2025): 87-113, <https://doi.org/10.71087/ajlr.v2i1.30>.

⁵ Ali Masum, Sulistyandari, and Tri Prihatinah, "The Responsibility of Notary in Making Nominee Agreements for Foreign Citizens in Indonesia," *Problems of Legality*, no. 161 (2023): 287-303, <https://doi.org/10.21564/2414-990x.161.278003>.

Accordingly, the novelty of this study lies not merely in examining Bali Regional Regulation Number 4 of 2026 as a newly enacted legal instrument, but in developing a doctrinal analysis of how the Regulation reconstructs the legal understanding of nominee arrangements and expands the preventive role of notaries in safeguarding legal certainty and protecting productive land. By integrating agrarian law, notarial law, and regional land governance into a single analytical framework, this study offers a perspective that has not been addressed in previous studies.

The enactment of Bali Regional Regulation 4/2026 introduces a different legal dimension by positioning nominee arrangements not only as a matter of private law or agrarian law, but also as a factor associated with the conversion of productive land and the protection of public interests. Consequently, the legal issues surrounding nominee arrangements can no longer be examined solely from the perspective of contractual validity or notarial liability. A broader analysis is required to assess the legal construction of nominee arrangements within the framework of regional legal policy and to evaluate the authority of notaries in supporting the prevention of such practices as part of efforts to control productive land conversion.

Against this background, this study addresses two legal issues. First, how are nominee arrangements legally constructed under Regional Regulation of Bali Province Number 4 of 2026 concerning the Control of Productive Land Conversion and the Prohibition of Nominee-Based Land Ownership Transfer? Second, how does the authority of notaries in preventing nominee arrangements contribute to legal certainty and the control of productive land conversion? Accordingly, this study aims to analyze the legal construction of nominee arrangements under Bali Regional Regulation 4/2026 and to examine the authority of notaries in preventing such practices from the perspective of legal certainty and the control of productive land conversion.

2. Research Methods

This study employs normative legal research, which examines law as a system of norms embodied in statutory regulations and developed through legal doctrines. The research applies a statutory approach by examining legal instruments governing agrarian law, notarial law, land registration, and the prevention of nominee arrangements, including the Indonesian Civil Code, Law Number 5 of 1960 concerning Basic Agrarian Principles (UUPA), Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 concerning the Office of Notary (UUJN-P), Regional Regulation of Bali Province Number 4 of 2026 concerning the Control of Productive Land Conversion and the Prohibition of Nominee-Based Land Ownership Transfer (Bali Regional Regulation 4/2026), Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency Number 18 of 2021 concerning Management Rights, Land Rights, Apartment Units, and Land Registration, and Regulation of the Minister of Law Number 10 of 2026 concerning the Implementation of the Principle of Recognizing Service Users for Notaries (PMPJ Regulation). A conceptual approach is also employed to analyze the concepts of nominee arrangements, legal certainty, beneficial ownership, the prudential principle, and the authority of notaries in preventing legal circumvention.

The legal materials used in this study consist of primary legal materials in the form of statutory regulations, secondary legal materials comprising legal literature, scholarly

journals, and relevant legal doctrines, as well as tertiary legal materials that support the interpretation of primary and secondary legal materials. Legal materials were collected through library research and subsequently analyzed qualitatively through legal interpretation, legal reasoning, and doctrinal analysis in order to address the legal issues examined in this study.

3. Result and Discussion

3.1. Legal Construction of Nominee Arrangements under Bali Regional Regulation Number 4 of 2026

Nominee arrangements are generally characterized by the separation between formal ownership and actual control over a particular asset. Within this legal structure, the individual whose name is formally registered as the holder of rights functions as the legal owner, whereas the party that ultimately exercises control and receives the economic benefits arising from the asset acts as the beneficial owner. Such arrangements create a distinction between formal legal status and substantive ownership, allowing the beneficial owner to remain concealed behind the nominee who appears as the recognized holder of rights.⁶

The legal issues surrounding nominee arrangements become particularly significant when applied to land ownership. Indonesian agrarian law adopts the principle of nationality, which restricts ownership rights over land to Indonesian citizens. Article 21 paragraph (1) of Law Number 5 of 1960 concerning Basic Agrarian Principles (UUPA) expressly provides that “only Indonesian citizens may possess ownership rights over land.” Legal protection of this principle is further strengthened by Article 26 paragraph (2) of the UUPA, which stipulates that any legal act intended, directly or indirectly, to transfer ownership rights over land to a foreign national shall be null and void by operation of law. The inclusion of the phrase “directly or indirectly” demonstrates the legislature’s intention to prevent not only formal transfers of ownership but also legal constructions designed to disguise foreign control over land through intermediary arrangements. For this reason, nominee arrangements have frequently been regarded as a form of legal circumvention intended to bypass restrictions established under the Indonesian agrarian legal system.⁷

The prohibition imposed by Articles 21 paragraph (1) and 26 paragraph (2) of the UUPA reflects the operation of the nationality principle as a fundamental doctrine of Indonesian agrarian law rather than merely a statutory limitation on land ownership. The doctrine recognizes that ownership rights over land are inseparable from the constitutional objective of ensuring that land and other natural resources remain under national control

⁶ Ayesha Adra Maia Majesta Rengganis and Akhmad Budi Cahyono, “Indikator Perjanjian Pinjam Nama (Nominee Agreement) Dalam Kepemilikan Perseroan Terbatas Berdasarkan Hukum Indonesia Dan Thailand,” *Lex Patrimonium* 4, no. 1 (2025): 1–20, <https://scholarhub.ui.ac.id/lexpatri>.

⁷ I Kadek Agus Aristya Jaya and I Gusti Ngurah Nyoman Krisnadi Yudiantara, “Keabsahan Perjanjian Nominee Dalam Kepemilikan Tanah Antara Warga Negara Asing Dengan Warga Negara Indonesia,” *JURNAL MEDIA AKADEMIK (JMA)* 4, no. 1 (2026).

for the greatest prosperity of the people. Consequently, legal constructions that enable foreign parties to obtain de facto control over land through nominee arrangements are inconsistent not only with statutory prohibitions but also with the underlying legal philosophy governing Indonesia's agrarian system. From this perspective, the separation between legal ownership and beneficial ownership cannot be accepted where it results in the indirect transfer of proprietary control that the UUPA expressly seeks to prevent.

Assessment of the legality of nominee arrangements cannot be limited to agrarian law alone. The validity of such arrangements must also be examined through the requirements governing contractual validity under the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*). Article 1320 of the Civil Code requires the existence of consent, legal capacity, a certain subject matter, and a lawful cause as essential elements of a valid agreement. Particular attention must be directed to the requirement of a lawful cause, as Article 1337 of the Civil Code provides that a cause is unlawful when it is prohibited by law, contrary to morality, or contrary to public order. A nominee arrangement established for the purpose of enabling a foreign national to exercise ownership and control over land that cannot legally be acquired under the UUPA cannot be separated from an objective that conflicts with statutory provisions. Consequently, the legal defect of a nominee arrangement lies not merely in its contractual form but in the unlawful purpose pursued through the agreement, resulting in the arrangement being considered null and void by operation of law.⁸

From a doctrinal perspective, the invalidity of nominee arrangements does not arise solely because the parties have entered into a prohibited agreement. The more fundamental issue concerns the misuse of contractual autonomy to achieve legal consequences that are expressly prohibited by agrarian legislation. Freedom of contract cannot be interpreted as permitting parties to construct legal mechanisms that effectively nullify mandatory statutory provisions. Accordingly, nominee arrangements illustrate the limits of contractual freedom where private agreements conflict with mandatory public law norms governing land ownership.

The foregoing legal construction demonstrates that nominee arrangements are not merely private contractual mechanisms between consenting parties. Their existence directly intersects with statutory restrictions governing land ownership and raises broader concerns regarding compliance with the objectives of national agrarian law. Such concerns have become increasingly relevant in regions experiencing intensive investment and tourism development, thereby encouraging the formulation of more specific regulatory measures aimed at preventing nominee-based land control and addressing its wider implications for productive land governance.

The legal consequences arising from nominee arrangements extend beyond questions concerning the validity of contractual relationships and land ownership structures. Increasing investment activities and tourism development have encouraged the use of nominee mechanisms as instruments for acquiring effective control over land while avoiding restrictions imposed by agrarian law. Such practices ultimately affect patterns of

⁸ Alvi Azzahra Putri Neilwan, "Perjanjian Pinjam Nama Warga Negara Asing Dengan Objek Hak Atas Tanah Melalui Pranata Hukum Nasional (Analisis Simulasi Kasus Dalam Putusan Pengadilan Negeri Denpasar Nomor 1138/PDT.G/2020/PN DPS)," *Indonesian Notary* 6, no. 3 (2024): 1-19, <https://doi.org/10.21143/notary.vol6.no3.1>.

land utilization and contribute to changes in the function of productive land. The use of nominee arrangements therefore cannot be viewed solely as a private legal issue between contracting parties. Their broader implications directly intersect with land governance, spatial planning, and the protection of productive land within Bali Province.⁹

Recognition of these risks formed one of the principal considerations underlying the enactment of Regional Regulation of Bali Province Number 4 of 2026 concerning the Control of Productive Land Conversion and the Prohibition of Nominee-Based Land Ownership Transfer (hereinafter referred to as Bali Regional Regulation 4/2026). The regulatory policy adopted under Bali Regional Regulation 4/2026 demonstrates a shift in legal approach. Nominee arrangements are no longer treated merely as contractual constructions that may violate agrarian law. They are also regarded as legal mechanisms capable of accelerating the transfer, concentration, and utilization of land in a manner that threatens the sustainability of productive land.

Bali Regional Regulation 4/2026 introduces a significant doctrinal development by repositioning nominee arrangements beyond the traditional framework of contract and agrarian law. Instead of regulating nominee arrangements solely because they violate ownership restrictions, the Regulation links such practices directly to productive land conversion and the protection of broader public interests. This approach expands the legal construction of nominee arrangements from a private law issue into an instrument of regional land governance, thereby providing an additional normative basis for preventive legal intervention.

Article 3 of Bali Regional Regulation 4/2026 establishes the objectives of the Regulation, including the control of productive land conversion, the protection of productive land sustainability, and the prevention of practices that contribute to the loss of productive land functions. The provision states that the Regulation is intended to maintain the existence of productive land as a strategic resource supporting environmental sustainability, economic resilience, and community welfare. Such objectives demonstrate that the protection of productive land constitutes a matter of public interest rather than a purely private concern.

The relationship between nominee arrangements and productive land conversion becomes increasingly apparent when viewed from the perspective of land control. Productive land placed under nominee structures frequently becomes subject to investment-oriented utilization. Although ownership formally remains registered under the name of an Indonesian citizen, actual control and decision-making authority often rest with another party whose primary objective is economic exploitation of the land. This situation creates significant pressure for the conversion of agricultural land into tourism facilities, accommodation developments, commercial areas, and other non-agricultural uses. The resulting legal issue therefore extends beyond ownership status and concerns the broader impact of land utilization patterns on regional development and environmental sustainability.

⁹ Briliandra Jasanusa Turman, Kurniawarman, and Hengki Andora, "Perjanjian Nominee Dalam Penguasaan Tanah Hak Milik Oleh Asing Pada Kawasan Pesisir Pantai Di Kabupaten Mentawai Provinsi Sumatera Barat," *Ranah Research : Journal of Multidisciplinary Research and Development* 7, no. 5 (2025): 3718–36, <https://doi.org/10.38035/rrij.v7i5.1693>.

The preventive character of Bali Regional Regulation 4/2026 is further reflected in Article 7 paragraph (1), which provides that: "Every person is prohibited from transferring, controlling, facilitating, or participating in nominee-based land ownership arrangements or other legal constructions intended to conceal the actual beneficiary of land rights." The wording of this provision is particularly significant because it targets not only the formal transfer of land rights but also legal mechanisms designed to obscure the identity of the party exercising actual control over land. The prohibition therefore focuses on the substantive reality of land control rather than merely the formal appearance of ownership documents.

This regulatory approach nevertheless raises an important constitutional question concerning the legislative competence of regional governments in regulating nominee arrangements. Land administration and the fundamental principles governing land rights are principally regulated under the Basic Agrarian Law and implemented through national legislation. Consequently, Bali Regional Regulation 4/2026 should not be interpreted as creating a new category of land rights or introducing independent restrictions upon land ownership beyond those established by national agrarian law. Rather, its constitutional legitimacy depends upon whether the Regulation operates as an instrument for implementing regional authority in controlling productive land conversion and protecting regional spatial planning without altering the substance of nationally regulated land rights.

From this perspective, Bali Regional Regulation 4/2026 complements rather than replaces the national agrarian framework. The Regulation does not modify the nationality principle established under the UUPA, nor does it redefine the legal validity of nominee arrangements, both of which remain governed by national legislation. Instead, the Regulation introduces additional preventive measures by linking nominee arrangements to productive land conversion and regional environmental protection. Such construction reflects the exercise of regional regulatory authority within the sphere of land utilization and spatial governance, while substantive regulation concerning ownership rights continues to fall under the competence of the central government. Accordingly, Bali Regional Regulation 4/2026 should be construed as reinforcing, rather than conflicting with, the existing framework of Indonesian agrarian law.

This approach distinguishes Bali Regional Regulation 4/2026 from the general framework of contract law and agrarian law. The Regulation seeks to prevent legal constructions that may facilitate indirect control over productive land while simultaneously supporting broader objectives relating to land governance and sustainable development. Nominee arrangements are consequently positioned as practices capable of affecting public interests, thereby justifying more comprehensive regulatory intervention than that provided under ordinary private law mechanisms. Such a construction forms the normative basis for examining the scope of liability imposed upon parties who participate in nominee arrangements, including those acting as intermediaries, facilitators, or providers of legal instruments within the transaction.¹⁰

¹⁰ Nila Mustika Aini and Arief Rahman, "GENTLEMEN ' S AGREEMENT ON NOMINEE ' S NAME IN THE PURCHASE OF LAND RIGHTS," *Jurnal Private Law Fakultas Hukum Universitas Mataram* 5, no. 3 (2025): 818-27.

This regulatory approach demonstrates that nominee arrangements should no longer be understood exclusively as invalid contractual constructions. Their legal significance extends to the protection of constitutional values relating to the governance of land and natural resources. Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia provides that "The land, waters and natural resources contained therein shall be controlled by the State and utilized for the greatest prosperity of the people." Consequently, legal mechanisms intentionally designed to conceal foreign control over land undermine not only statutory restrictions established under the UUPA but also the constitutional principles governing the management of natural resources.

The preventive framework established under Bali Regional Regulation 4/2026 nevertheless raises an important normative issue concerning the parties who contribute to the formation and implementation of nominee arrangements. Article 14 of Bali Regional Regulation 4/2026 introduces a broader prohibition by extending legal responsibility beyond the principal parties directly involved in nominee-based land control. The provision prohibits any person from acting as an intermediary, facilitator, or provider of means in relation to nominee-based land ownership arrangements. Such formulation reflects the legislature's recognition that nominee arrangements rarely operate through the actions of a foreign beneficiary and a nominee alone. Their implementation frequently requires the involvement of additional parties who assist in structuring, documenting, or facilitating the legal relationship.

The term "intermediary" may reasonably be understood as a person who bridges the relationship between the actual beneficiary and the registered owner of land rights. The term "facilitator" indicates a broader category encompassing parties whose actions enable nominee arrangements to be created or maintained. Likewise, the phrase "provider of means" suggests parties supplying legal instruments, documentation, facilities, or mechanisms required to support the arrangement. These formulations demonstrate the intention of Bali Regional Regulation 4/2026 to address nominee arrangements as organized legal constructions rather than isolated private agreements.

Practical experience demonstrates that nominee arrangements are rarely established through a single agreement. Various supporting legal instruments are often employed to conceal the actual transfer of control over land, including powers of attorney, debt acknowledgements, sale and purchase commitments, security arrangements, and other contractual mechanisms designed to ensure that the beneficial owner retains effective control over the property. Such arrangements create the appearance of compliance with formal legal requirements while simultaneously producing substantive outcomes inconsistent with the objectives of agrarian law.¹¹

Similar patterns have also been observed in the broader practice of nominee-based land control, where legal documents are intentionally structured to create a separation between registered ownership and actual control over land. Although formal ownership remains recorded under the name of an Indonesian citizen, the beneficial owner effectively exercises powers ordinarily associated with ownership. This condition illustrates that

¹¹ Novita Permata Sari, Rudi Mulyanto, and Irwan Kurniawan Soetijono, "Keabsahan Perjanjian Nominee Atas Kepemilikan Hak Milik Atas Tanah Oleh Warga Negara Asing," *AMAR : JURNAL ILMIAH HUKUM* 3, no. 1 (2025): 15-24, <https://doi.org/doi.org/10.62734/jurnalamar.v3i1.759>.

nominee arrangements often depend upon the participation of multiple actors whose involvement extends beyond the two principal parties appearing within the contractual relationship.¹²

A significant legal issue nevertheless remains unresolved. Bali Regional Regulation 4/2026 prohibits intermediary, facilitator, and provider-of-means activities, yet the Regulation does not provide a precise legal definition regarding the scope of those categories. No provision expressly identifies which professions, institutions, or legal actors may fall within such classifications. The absence of clearer criteria creates uncertainty regarding the extent of legal responsibility that may arise from participation in transactions subsequently found to contain nominee elements.

This normative gap becomes particularly relevant when assessing the position of legal professionals involved in land transactions. Parties participating in the preparation of legal documents, verification of identities, formulation of contractual clauses, or facilitation of legal transactions may encounter uncertainty concerning the limits of their obligations under Bali Regional Regulation 4/2026. The Regulation establishes a prohibition but leaves unanswered questions concerning the threshold of participation required before an individual may be categorized as an intermediary, facilitator, or provider of means.

Legal certainty requires that regulatory prohibitions be accompanied by sufficiently clear standards regarding the subjects to whom such prohibitions apply. A regulatory framework that imposes obligations without clearly defining the scope of legal responsibility may create difficulties in implementation and enforcement. The absence of explicit parameters concerning intermediary and facilitator liability therefore represents an important issue within Bali Regional Regulation 4/2026. Clarification of these categories is essential not only for effective enforcement of the prohibition against nominee arrangements but also for ensuring that legal actors involved in land transactions can properly understand the limits of their rights, duties, and responsibilities under the regulatory framework.

Uncertainty regarding the scope of intermediary and facilitator liability also demonstrates the importance of identifying the party who ultimately exercises control over a legal transaction. Formal legal ownership does not necessarily reflect the individual who enjoys the economic benefits or exercises effective decision-making authority over land. Consequently, the legal identification of beneficial ownership becomes an essential mechanism for distinguishing between registered ownership and substantive control. This distinction is particularly relevant in nominee arrangements, where the apparent holder of land rights frequently differs from the party who ultimately benefits from or controls the property.

3.2. Authority of Notaries in Preventing Nominee Arrangements for Legal Certainty and Productive Land Protection

¹² Aris Suhadi, Muhamad Muslih, and Anne Gunawati, "Praktek Pengalihan Tanah Secara Nominee Dalam Mewujudkan Ketahanan Pangan Di Provinsi Banten," *Madinah: Jurnal Studi Islam* 7, no. 2 (2020): 156–77, <https://doi.org/10.58518/madinah.v7i2.1319>.

The notary occupies a strategic position within the Indonesian legal system, particularly in relation to land transactions and legal arrangements involving property rights. As a public official authorized to produce authentic deeds, a notary performs an important preventive function by ensuring that legal acts conducted by parties comply with applicable laws and regulations. The authority to formulate, authenticate, and formalize legal agreements places the notary at the intersection between private autonomy and legal compliance.

In practice, nominee arrangements rarely emerge without legal documentation. Such arrangements are commonly accompanied by a series of contractual instruments intended to provide legal security for the foreign beneficiary while maintaining formal ownership under the name of an Indonesian citizen. The use of powers of attorney, declarations, debt acknowledgements, sale and purchase commitments, and other supporting agreements demonstrates that nominee structures frequently depend upon formal legal documentation to create the appearance of lawful transactions.¹³

The increasing complexity of nominee arrangements indicates that the issue is no longer limited to the relationship between foreign nationals and Indonesian citizens. Modern nominee constructions often involve multiple legal instruments prepared simultaneously to ensure effective control over land despite statutory restrictions. Through such mechanisms, formal ownership and beneficial ownership become separated, allowing foreign parties to obtain practical control over land while avoiding direct violation of statutory prohibitions.¹⁴

This condition places notaries in a particularly important position within the legal system. Every authentic deed is expected to reflect not only the formal intentions of the parties but also compliance with mandatory legal norms. Although the principle of freedom of contract allows parties to determine the contents of their legal relationship, such freedom is not unlimited. Agreements that contain unlawful objectives, conceal prohibited transactions, or function as instruments of legal circumvention cannot be justified merely because they are embodied within authentic legal documents.¹⁵

A comparative perspective further illustrates that legal restrictions on foreign control over land are not unique to Indonesia. Thailand likewise restricts foreign ownership of land and has long encountered nominee arrangements designed to circumvent statutory limitations through the use of Thai nationals as registered owners. Thai regulatory practice has therefore emphasized closer scrutiny of transactions suspected of concealing beneficial ownership and has increasingly recognized the importance of professional legal practitioners in identifying legal structures intended to evade mandatory ownership

¹³ Fini Annisa Sudhuri, "THE PRACTICE OF LAND CONTROL BY FOREIGNERS THROUGH NOMINEE AGREEMENTS IN THE LEGAL SYSTEM IN INDONESIA," *Rewang Rencang : Jurnal Hukum Lex Generalis* 5, no. 9 (2024): 1-9.

¹⁴ Mangedar Pulungan, Neni Vesna Madjid, and Laurensius Arliman S, "Akibat Hukum Perjanjian Nominee Dalam Praktek Jual Beli Tanah Di Indonesia," *Jurnal Sakato Ekasakti Law Review* 3, no. 1 (2024): 22-35, <https://doi.org/doi.org/10.31933/knbjbw58>.

¹⁵ Kadek Oktavianiasih, Komang Dantes Febrinayanti, and Ni Ketut Sari Adnyani, "Analisis Perjanjian Sewa-Menyewa Tanah Seumur Hidup Sebagai Upaya Penyelundupan Hukum Terhadap Penguasaan Hak Atas Tanah Oleh Warga Negara Asing," *Al Zayn: Jurnal Ilmu Sosial & Hukum* 4, no. 2 (2026): 7428-40, <https://doi.org/doi.org/10.61104/alz.v4i2.5538>.

restrictions. This demonstrates that nominee arrangements present not merely contractual issues but broader regulatory concerns relating to land governance and legal transparency.

Comparable developments may also be observed in jurisdictions such as Australia, where regulatory frameworks governing legal practitioners increasingly incorporate risk-based due diligence and beneficial ownership verification as part of broader efforts to prevent the misuse of legal services. Although Australia's land ownership regime differs significantly from Indonesia's nationality principle, the underlying regulatory objective remains similar, namely ensuring transparency regarding the individuals who ultimately control or benefit from legal transactions. These comparative experiences indicate that preventive responsibilities imposed upon legal professionals do not transform them into investigative authorities. Rather, they reinforce the obligation to exercise reasonable professional judgment in identifying legal risks before facilitating transactions through formal legal instruments. Such comparative practice supports the interpretation that the preventive role performed by Indonesian notaries should likewise be understood as an exercise of professional legal verification rather than investigative authority.

From a preventive perspective, the notarial function extends beyond documenting legal declarations. The preparation of authentic deeds requires careful assessment of the legality of the intended transaction, the legal capacity of the parties, and the conformity of contractual objectives with prevailing laws. Consequently, notaries serve as one of the earliest institutional safeguards capable of identifying indications of nominee arrangements before those arrangements generate broader legal consequences.

The importance of this preventive authority becomes increasingly evident in regions experiencing significant pressure from foreign investment and tourism development. In such areas, nominee arrangements frequently appear as alternative mechanisms designed to bypass restrictions on land ownership by foreign nationals. Without effective preventive oversight during the documentation stage, legal instruments may be transformed from mechanisms of legal certainty into instruments facilitating the circumvention of agrarian law. Therefore, the authority of notaries cannot be viewed solely as a formal administrative function, but also as an integral component of the legal system's effort to preserve legal certainty, uphold the objectives of agrarian regulation, and prevent unlawful control over land rights.

The preventive authority of notaries cannot be separated from the obligation to ensure that every legal act embodied in an authentic deed complies with statutory requirements. Article 16 paragraph (1) letter a of Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 concerning the Office of Notary (hereinafter referred to as the Notary Office Law Amendment (UUJN-P)) requires notaries to act honestly, independently, impartially, and to safeguard the interests of all parties involved in a legal transaction. This obligation extends beyond merely recording the declarations of the parties, requiring notaries to assess whether the intended legal act is consistent with mandatory legal norms and public policy. Within the context of land transactions, such responsibility becomes particularly significant where there are indications that a legal arrangement is being used to conceal the actual beneficiary of land ownership.

The increasing prevalence of nominee arrangements demonstrates that formal compliance with documentary requirements does not necessarily reflect substantive compliance with agrarian law. In many cases, land ownership remains formally registered under the name of an Indonesian citizen while the economic benefits, control, and decision-making authority are exercised by a foreign national. Such arrangements are generally supported by a network of private agreements designed to separate legal ownership from beneficial ownership. This structure effectively circumvents the restrictions imposed by Article 21 paragraph (1) and Article 26 paragraph (2) of the Basic Agrarian Law and undermines the nationality principle underlying Indonesia's agrarian system.¹⁶

The preventive function of notaries therefore requires the application of a prudential approach when examining the intentions and legal relationships of the parties. A notary should not limit the verification process to the formal identity of the appearing parties but must also consider whether the transaction reveals indicators of nominee arrangements, including the existence of side agreements, financing structures originating from foreign parties, or arrangements granting effective control over land to individuals who are legally prohibited from holding ownership rights. Such scrutiny is consistent with the broader objective of preventing legal circumvention through the misuse of authentic legal instruments.

This obligation has become increasingly relevant following the development of regulatory frameworks concerning the identification of beneficial ownership and the implementation of the Principle of Recognizing Service Users. The growing emphasis on transparency reflects a broader recognition that legal ownership and actual control may not always coincide. Where a notary encounters circumstances indicating that a transaction is intended to disguise the true beneficiary of land ownership, professional responsibility requires heightened scrutiny before the transaction is formalized through an authentic deed.

Comparative legal developments further demonstrate the importance of notarial vigilance in preventing unlawful nominee structures. Although certain jurisdictions permit foreign ownership of property under different legal regimes, regulatory authorities continue to impose strict obligations on legal professionals to identify beneficial owners and prevent the use of legal documentation for unlawful purposes. The Indonesian approach, which maintains the nationality principle in land ownership, requires an even greater degree of caution because nominee arrangements are not merely regulatory violations but may constitute a deliberate attempt to circumvent mandatory agrarian provisions and undermine legal certainty within the land administration system.¹⁷

Beneficial ownership has developed as a fundamental legal concept designed to identify the natural person who ultimately owns, controls, or derives economic benefit from a legal relationship, regardless of the formal legal structure used to conceal such interests. Unlike legal ownership, which refers to the person formally recorded as the holder of rights,

¹⁶ Tia Vandini, "Implementasi Nominee Agreement Dalam Perspektif Hukum Di Indonesia," *Jurnal Pendidikan Indonesia* 6, no. 4 (2025): 2057–63, <https://doi.org/10.59141/japendi.v6i4.7660>.

¹⁷ Michelle Regine Maukar et al., "Implikasi Hukum Batalnya Perjanjian Nominee: Perbandingan Konsekuensi PMH Dalam Sengketa Properti Eigendom Di Indonesia Dan Belanda," *Syntax Literate; Jurnal Ilmiah Indonesia* 10, no. 11 (2025): 9734–40, <https://doi.org/10.36418/syntax-literate.v10i11.62446>.

beneficial ownership focuses upon substantive control and the actual enjoyment of economic benefits. This distinction has become increasingly significant in contemporary legal systems because complex contractual arrangements may separate formal ownership from effective control, thereby enabling legal structures that obscure the identity of the true beneficiary.¹⁸

Internationally, the concept of beneficial ownership has been significantly developed through the recommendations of the Financial Action Task Force (FATF), particularly as part of global measures to prevent money laundering, terrorist financing, and the misuse of legal persons and legal arrangements. The FATF recommendations emphasize that competent authorities should be capable of identifying the natural person who ultimately owns or controls legal relationships, even where ownership is intentionally concealed through nominees or other intermediary arrangements. Although originally developed within anti-money laundering frameworks, the concept has increasingly influenced broader regulatory approaches concerning corporate transparency, financial transactions, and professional legal services.

Recognition of beneficial ownership principles provides an important legal instrument for preventing nominee arrangements. Regulatory developments concerning the identification of beneficial owners are intended to ensure that legal relationships are assessed based on their substantive reality rather than their formal appearance. This approach is particularly relevant in land transactions because nominee arrangements are commonly structured through a series of supporting agreements that conceal the identity of the actual beneficiary. Verification of beneficial ownership therefore serves not merely as an administrative requirement but as a mechanism for preventing legal constructions intended to circumvent mandatory provisions of agrarian law.

Obligations attached to the Principle of Recognizing Service Users require notaries to exercise greater vigilance when examining transactions that may indicate the existence of concealed ownership structures. Verification should not be limited to confirming the identity of appearing parties. Attention must also be directed toward the source of funds, the existence of side agreements, the allocation of economic benefits, and other circumstances that may reveal a discrepancy between registered ownership and actual control. Such measures form part of a broader due diligence process intended to ensure that authentic deeds are not utilized as instruments for facilitating legal circumvention.

Significance of these obligations becomes more apparent when viewed in relation to the increasing pressure on land resources within Bali Province. Productive land continues to experience substantial pressure arising from investment activities, tourism development, and commercial expansion. Hidden ownership structures created through nominee arrangements may facilitate indirect control over land while simultaneously encouraging patterns of land utilization that are inconsistent with regional policies concerning productive land protection. Concerns relating to nominee arrangements therefore extend

¹⁸ M. Haris Hasyim and Rusdianto Sesung, "Peranan Notaris Dalam Kepastian Hukum Prinsip Pemilik Manfaat (Beneficial Ownership) Berdasarkan Permenkumham Nomor 13 Tahun 2018," *Jurnal Pendidikan Dan Ilmu Sosial (Jupendis)* 2, no. 2 (2024): 350–61, <https://doi.org/10.54066/jupendis.v2i2.1663>.

beyond questions of ownership and directly affect broader objectives relating to environmental sustainability, spatial planning, and land governance.¹⁹

Preventive functions exercised by notaries consequently possess a wider public dimension. Identification of beneficial owners, application of due diligence measures, and careful examination of legal transactions contribute not only to legal certainty for individual parties but also to the integrity of the agrarian system as a whole. Failure to identify nominee elements at an early stage may permit formally valid legal instruments to be used in support of arrangements that undermine the nationality principle established under agrarian law and weaken efforts to control productive land conversion.

Harmonization between the Basic Agrarian Law, the Notary Office Law Amendment, regulations concerning the Principle of Recognizing Service Users, and Bali Regional Regulation 4/2026 therefore becomes essential. Each regulatory instrument addresses different aspects of the same legal problem. The Basic Agrarian Law establishes restrictions concerning land ownership, the Notary Office Law Amendment regulates the duties and responsibilities of notaries, regulations concerning the Principle of Recognizing Service Users provide mechanisms for identifying beneficial owners, while Bali Regional Regulation 4/2026 seeks to prevent nominee arrangements and protect productive land. Viewed collectively, these instruments establish a normative framework that positions notaries as an important preventive actor in efforts to maintain legal certainty and prevent nominee-based control of land.

The preventive role of notaries should therefore be understood as a consequence of harmonizing the authority granted under Article 15 paragraph (1) of the UUJN-P, the professional obligations established under Article 16 paragraph (1) letter a, and the due diligence requirements introduced through the PMPJ Regulation. These legal instruments collectively establish a normative framework within which notaries are expected to identify legal risks, verify the transparency of legal relationships, and refuse participation in transactions that reasonably indicate nominee arrangements. Their preventive authority is consequently limited to legal assessment and professional verification rather than factual investigation or law enforcement.

Normative analysis of Bali Regional Regulation 4/2026 demonstrates that the Regulation has established a relatively comprehensive framework for prohibiting nominee arrangements and preventing their contribution to productive land conversion. Article 7 paragraph (1) prohibits nominee-based land ownership arrangements, while Article 14 extends liability to parties acting as intermediaries, facilitators, or providers of means. Despite these regulatory developments, the Regulation does not expressly determine whether legal professionals involved in the preparation and formalization of land transactions fall within those categories. Absence of such clarification creates uncertainty regarding the extent to which legal responsibility may arise when nominee arrangements are subsequently identified within transactions documented through authentic legal instruments.

Position of notaries becomes particularly significant within this context. Authority granted under Article 15 paragraph (1) of the UUJN-P, coupled with the obligation

¹⁹ Ida Made Arisutha Wijaya, "Environmental Law Enforcement Towards The Prevention Of Land Conversion In Bali Province," *Ganec Swara* 19, no. 4 (2025): 1657–66.

imposed by Article 16 paragraph (1) letter a of the UUJN-P, places notaries in a strategic position to identify indications of nominee arrangements before they produce legal consequences. Simultaneously, obligations concerning beneficial ownership identification and implementation of the Principle of Recognizing Service Users strengthen the preventive dimension of notarial functions. Prevention of nominee arrangements should therefore not be understood solely as a matter of contractual validity or land ownership restrictions. It also forms part of a broader effort to maintain legal certainty, preserve the integrity of the agrarian system, and support the protection of productive land from uncontrolled conversion. Harmonization between the UUPA, the UUJN-P, the PMPJ Regulation, and Bali Regional Regulation 4/2026 is therefore necessary to provide clearer parameters regarding the scope of notarial responsibility while ensuring greater effectiveness in preventing nominee-based land control.

4. Conclusion

Nominee arrangements constitute unlawful legal constructions that conflict with the nationality principle under Article 21 paragraph (1) and Article 26 paragraph (2) of the Basic Agrarian Law, as well as the lawful cause requirement under Articles 1320 and 1337 of the Indonesian Civil Code. Bali Regional Regulation 4/2026 complements the national agrarian framework by repositioning nominee arrangements not only as mechanisms for circumventing restrictions on foreign land ownership but also as practices that contribute to productive land conversion and undermine environmental sustainability, food security, and regional land governance. Nevertheless, the Regulation leaves unresolved normative issues concerning the scope of liability of intermediaries, facilitators, and providers of means, thereby creating uncertainty in its implementation. The preventive authority of notaries is normatively derived from the harmonization of the Notary Office Law, the Principle of Recognizing Service Users, and beneficial ownership verification, requiring professional legal verification rather than investigative authority. Harmonization between the Basic Agrarian Law, the Notary Office Law, the PMPJ Regulation, and Bali Regional Regulation 4/2026 is therefore essential to strengthen legal certainty and improve the effectiveness of preventing nominee-based land control and protecting productive land.

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