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The Legal Force of Auction Minutes from the Office of State Assets and Auction Service: A Case Study at KPKNL Tebing Tinggi

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ABSTRACT: This study aims to analyze the legal force of the Auction Minutes (Berita Acara Lelang - BAL) issued by the Office of State Assets and Auction Services (KPKNL), using a case study on Auction Deed No. 245/05/2022 KPKNL Pematang Siantar. It employs a normative legal research method with both case and statutory approaches, combining the analysis of the auction document as primary data with the legal norms of auction law under the Vendu Reglement, Civil Code (KUHPPerdata), and Minister of Finance Regulations as secondary data. The findings show that BAL serves as an authentic deed possessing full evidentiary strength, thereby providing legal protection and certainty for auction winners in acquiring ownership rights over auctioned objects. The study also found several factors that can hinder enforcement of collateral auctions, such as legal objections, procedural defects, administrative land issues, physical control by the executed party, and inconsistencies in legal documentation. Overall, the research concludes that the effectiveness of BAL as an instrument of legal certainty depends heavily on procedural compliance and post-auction administrative and dispute resolution processes. Consequently, BAL plays a crucial role in legitimizing the transfer of rights through the state auction mechanism.

KEYWORDS: Auction Minutes; Authentic Deed; KPKNL; Execution Auction; Legal Certainty.

INTRODUCTION

The state auction is a legal instrument that plays a vital role in Indonesia's legal system, particularly in the enforcement of court rulings, debt settlement, and the transfer of ownership through transparent and accountable mechanisms (Alfara, 2020). In practice, state auctions are not merely administrative actions but are closely related to legal certainty for the parties involved. One of the documents that ensures such certainty is the Auction Minutes (BAL), an official document issued by an authorized auction officer (Andi et al., 2023).

The existence of a BAL is crucial because it constitutes authentic evidence that an auction has been conducted in accordance with applicable law. Based on Article 1868 of the Indonesian Civil Code (KUHPPer), an authentic deed is one made by or before a public official authorized to do so, and it carries full evidentiary value (Aprilia, 2022). Thus, a BAL not only records the chronological process of the auction but also binds the interested parties, the applicant, the bidders, the buyer, and the executed party.

In Indonesia, the main legal basis for auctions remains the *Vendu Reglement* (Staatsblad 1908 No. 189), supported by several Minister of Finance Regulations (PMK) that provide procedural guidelines. These ensure every auction is conducted transparently, competitively, and in compliance with administrative law standards. In this context, BAL serves as the final and formal document recording the results, procedures, and validation of the auction process.

The importance of BAL is even more pronounced in execution auctions (*lelang eksekusi*), which are carried out to enforce court rulings or settle legal disputes. Typically, the auctioned object is a confiscated asset used as collateral. Therefore, auction winners require a strong legal foundation to ensure their ownership rights are protected from future claims. BAL thus guarantees that the auction process constitutes a legally valid sale transaction, ensuring the buyer's right is lawful, final, and cannot be unilaterally revoked (Andi et al., 2023).

As a concrete example, Auction Deed No. 245/05/2022, issued by KPKNL Pematang Siantar, serves as the focal case of this research. The document records an execution auction for a parcel of land with Ownership Certificate No. 835 under the name Harry Oktavin in Tebing Tinggi City (Tinggi, 2022). The auction was conducted via an online closed-bidding system, reflecting Indonesia's modernization of auction mechanisms. It details each stage, from seizure authorization, public announcements, determination of the minimum price (limit value), bidding process, to confirmation of the winner and payment completion.

Moreover, the document includes technical provisions governing the bidding process, handling of technical interruptions, and participants' obligations and liabilities. This demonstrates that the BAL functions not only administratively but also as a legal document regulating rights and obligations transparently and in detail, ensuring that the auction process fulfills the principles of legal certainty, procedural fairness, and legal protection, especially for the buyer.

Hence, this study is significant for a deeper analysis of the legal power of BAL issued by KPKNL using a descriptive-analytic approach with Auction Minutes No. 245/05/2022 as the case study, and aims to contribute both theoretically and practically to understanding authentic deeds, execution auctions, and legal certainty in Indonesia's state auction system.

RESEARCH METHOD

This study utilizes a descriptive-analytical approach, aimed at illustrating the conditions, facts, and legal procedures contained within Auction Minutes No. 245/05/2022, and analyzing them against applicable Indonesian legal norms. This is normative legal research (Ahmad, A, Fachrurrazy, M, Hartati S.S.Y, Amalia. M, Fauzi, E, Gaol. S.L, Siliwadi, D.N, 2024), focusing on positive legal norms and their application in

practice. The case approach is applied through analysis of Auction Minutes No. 245/05/2022, while the statutory approach assesses conformity with relevant laws, namely the *Vendu Reglement*, Civil Code, and Minister of Finance Regulations. Together, these approaches enable a comprehensive understanding of how legal norms are implemented in official auction documents. Primary data consist of Auction Minutes No. 245/05/2022 (Pages 1–7) and the Auction Implementation Report issued by KPKNL Pematang Siantar, providing direct evidence of auction proceedings, the authority of the auction officer, winner identification, and payment details. Secondary data include laws and regulations, academic literature on auction law, scholarly articles on authentic deeds and execution auctions, and expert opinions on the legal standing of BAL. These secondary materials complement and reinforce primary data to yield a holistic legal analysis. The data analysis technique in this research was carried out through three interrelated stages. The first stage is data reduction, which involves selecting, sorting, and examining parts of the auction minutes that are relevant to the research focus, particularly those related to auction implementation, the authority of auction officials, and the legal force of the Auction Minutes (BAL) as an authentic deed. The second stage is legal interpretation, namely the process of interpreting the applicable legal provisions and comparing them with the facts contained in the auction minutes. At this stage, the norms in the *Vendu Reglement*, the Civil Code, and the Minister of Finance Regulations on auction implementation are examined for their applicability to the case being analyzed. The third stage is the formulation of descriptive conclusions, which consists of developing legal arguments based on the results of the analysis to answer the research objectives, especially regarding the legal force of the BAL in providing legal certainty and protection to auction winners. Through this analytical technique, the study produces a comprehensive and structured understanding of the position of the BAL within the state auction legal system.

RESULTS AND DISCUSSION

Legal Protection for Auction Winners of Mortgage Rights

Based on the analysis of Auction Minutes Number 245/05/2022, legal protection for the auction winner is clearly reflected through a series of provisions stated in the Auction Minutes (BAL). The first form of legal protection is provided through the status of the BAL as an authentic deed. Under Article 1868 of the Civil Code, an authentic deed has perfect evidentiary strength, meaning that all contents of the BAL are legally presumed to be true. Thus, the auction winner possesses strong evidence that the transfer of rights occurred lawfully, transparently, and was carried out by a competent auction official.

The next form of protection is provided through a transparent and accountable auction process. In this case, the Pematang Siantar KPKNL conducted the auction in accordance with proper procedures: the auction announcement was published twice, the reserve price was set reasonably, the auction object had been seized based on a

court order, and the bidding process was conducted through a closed-bidding electronic system. This ensures that the auction winner is not only legally valid administratively but is also protected from potential disputes arising from procedural irregularities in the auction implementation (Riyanto et al., 2016; Suwarjono & Sinaga, 2023).

Legal protection is also provided through provisions prohibiting unilateral cancellation. The minutes explicitly state that the auction winner cannot cancel the purchase once declared the winner, and likewise, the auction applicant or the executed party cannot cancel the auction results without lawful grounds. The auction result may only be annulled through a court decision with permanent legal force if proven that a legal defect occurred during the auction process. This provision grants legal certainty for the auction winner that their rights cannot be disturbed or cancelled due to unilateral objections.

From a material standpoint, legal protection is ensured through the fact that the auction winner has fully paid all obligations as indicated in the Auction Realization Report. This strengthens their position as the legitimate new owner and provides a legal basis for the transfer of title at the land office. Thus, the auction minutes in this case function as an instrument that provides maximum legal protection for the auction winner, both in terms of evidentiary strength and the execution of rights over the auctioned object (Andi et al., 2023; Junaidi et al., 2023).

Factors Affecting the Non-Executability of Mortgage Auction Objects

Although the auction of mortgage rights has a strong legal basis, several factors can cause the auctioned object to become non-executable or delay its execution. The first factor is the existence of legal resistance (*verzet*) from the executed party or third parties. Such resistance may include lawsuits regarding the validity of the seizure, objections to the reserve price, or claims related to ownership of the auction object. In many cases in Indonesia, such resistance can hinder the execution process even though the auction winner is legally entitled to the object (Yang et al., 2019).

The second factor is formal defects in the auction process, such as auction announcements that do not comply with the required timeframe, incorrect determination of the reserve price, or the involvement of unauthorized auction officials. These formal defects may serve as grounds for the annulment of the auction, as a procedurally flawed auction can be deemed invalid.

The third factor involves administrative obstacles, such as the existence of other unresolved encumbrances or liens, land parcel mapping issues, or discrepancies in certificate data. Such administrative issues often delay the process of title transfer even though the auction winner already holds the BAL as lawful proof of acquisition.

The next factor is the physical possession of the auction object. In several execution auction cases, the auctioned object is still occupied or controlled by the executed party or third parties who refuse to vacate the property even after the auction has concluded. This situation requires additional legal actions, such as filing a request for eviction (*aanmaning*) to the court, thereby delaying the enforcement of the auction winner's rights.

The final factor is the incompleteness of the legal documentation of the auction object, such as boundary disputes, discrepancies in land area, or certificate blocks that cause the National Land Agency (BPN) to reject the title transfer process. These factors indicate that, although the auction may be legally valid, the execution of mortgage rights can still be obstructed by legal and administrative issues requiring further resolution.

Evidentiary Strength of Auction Minutes (BAL) as an Authentic Deed

The Auction Minutes (BAL) in this case carry very strong evidentiary value because they fulfill the elements of an authentic deed as defined in Article 1868 of the Civil Code. This evidentiary strength consists of external (formal) evidentiary force, the authority of the official who signed the document, and the material evidentiary force inherent in its contents. From the external aspect, the BAL contains a complete structure of an authentic deed, including the identity of the auction official, the date and place of the auction, a description of the auctioned object, the bidding procedure, and the designation of the winner. From the authority aspect, the auction official who signed the minutes acted based on an official assignment letter from KPKNL, meaning the deed was issued by a competent authority.

From the material aspect, all statements contained in the BAL are presumed legally correct unless proven otherwise through a court decision. This provides strong legitimacy to the auction winner regarding the entire auction process. Thus, the BAL is not merely an administrative document but has legal force as evidence that can be used in various land administration processes and dispute resolution procedures. In the context of Auction Minutes Number 245/05/2022, the BAL serves as perfect proof that a legal event, namely, the execution auction has occurred, making the transfer of rights to the auction winner valid and binding. Juridical Implications of the Transfer of Rights over Auctioned Objects to the Auction Winner.

The juridical implications of transferring rights through an execution auction are broad and have direct legal consequences for the auction winner. First, the auction winner obtains new ownership rights over the auctioned object after fulfilling all payment obligations. This right arises because an auction is a legitimate form of sale and purchase under Article 1457 of the Civil Code, and its execution is carried out by a state official.

Second, the auction winner gains the legal basis to apply for the transfer of title of the land certificate in accordance with agrarian regulations. The BAL serves as the main document in this process because it replaces the sale and purchase deed (AJB) and functions as authentic proof of transfer of rights.

Third, if the auctioned object is still physically occupied by the executed party, the auction winner may file a request for eviction to the court as a form of legal protection for their rights. The BAL becomes the legal basis for requesting state enforcement measures to obtain physical possession. Fourth, the auction winner receives protection against potential third-party claims. As long as the auction process satisfies all formal and material requirements, the auction winner is in a very strong legal position. Thus, the juridical implications of this transfer of rights extend beyond administrative acknowledgment and also include comprehensive legal protection that affirms the auction winner's status as the legitimate owner.

CONCLUSION

This study concludes that the Auction Minutes (BAL), as part of Auction Minutes Number 245/05/2022, possess very strong legal force as an authentic deed that provides legal protection and certainty for the winner of a mortgage-rights auction, because their formation fulfills all formal and material requirements as regulated in the *Vendu Reglement*, the Civil Code, and auction implementation regulations. The BAL legally proves that the auction was conducted openly, transparently, and by a competent official, thereby granting the auction winner full legal grounds to obtain ownership rights over the auctioned object, process the transfer of title on the land certificate, and defend their rights against possible claims from the executed party or third parties.

Nevertheless, the study also finds that several factors may prevent the auctioned object from being immediately executed, including legal resistance from disputing parties, procedural defects in the auction process, administrative land-related obstacles, and issues concerning physical possession of the object in the field all of which may delay the realization of the auction winner's rights even though the BAL is legally valid. Thus, it can be concluded that the effectiveness of the transfer of rights through the BAL is highly dependent on compliance with auction procedures, orderly agrarian administration, and proper dispute resolution. Accordingly, the BAL, in addition to functioning as perfect evidence, also serves as a key instrument in ensuring legal certainty in the execution of mortgage-rights auctions in Indonesia.

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