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BANK LIABILITY IN LAND AUCTIONS WITHOUT LEGAL BASIS OF OWNERSHIP: CASE STUDY NO. 662 PK/PDT/2023

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Abstract.

Land auctions as an instrument for executing mortgage rights play a crucial role in civil law and banking practices in Indonesia, yet they often create legal issues when the auctioned object lacks valid ownership. Although procedurally considered legitimate, in practice there is a significant gap between normative provisions and actual implementation, particularly in ensuring legal protection for third parties. Previous studies have mainly focused on procedural aspects and debtor defaults, while the issue of banks' liability in auctions of land without valid ownership remains understudied. Therefore, this study aims to analyze the legal responsibility of banks in defective land auctions, with a specific focus on Supreme Court Decision No. 662 PK/PDT/2023. The research method employed is normative juridical with a case approach, supported by literature review of relevant legislation. The findings reveal that the Supreme Court emphasized the liability of the bank as the creditor who negligently failed to verify ownership, declaring the bank and the debtor to have committed an unlawful act and holding them jointly liable to pay compensation. This ruling reflects a balanced application of the principles of legal certainty, justice, and utility, while providing an important precedent for banking practices to adopt stricter due diligence in executing mortgage rights. Accordingly, this study contributes to strengthening the understanding of third-party protection in civil law and supports the need for regulatory reforms in land auctions in Indonesia.

Keywords : bank liability, land auction, mortgage rights, unlawful act

INTRODUCTION

In Indonesian civil law practice, land auction transactions conducted by financial institutions are generally regarded as administratively and procedurally valid. The execution of mortgage rights auctions is regulated by Law Number 4 of 1996 concerning Mortgage Rights and the Minister of Finance regulation governing auction implementation. However, not all auction objects possess a valid legal basis of ownership. When the auctioned land does not have a clear legal basis, for instance, for instance, it is unregistered with the National Land Agency (BPN) or supported only by defective documentation a fundamental question arises: can the bank, as the auction applicant, be held liable for the purchaser's loss?

This phenomenon has become increasingly relevant following the issuance of Supreme Court Decision No. 662 PK/PDT/2023, which stated that Bank BRI had committed an unlawful act (PMH) by auctioning land not owned by the debtor. In this case, the plaintiff was the heir of the buyer of the auctioned land, who then suffered losses due to the problematic status of the land purchased. The Supreme Court not only recognized the plaintiff's legal position but also ordered the defendant to pay billions of rupiah in compensation. This ruling sets an important precedent in assessing the legal responsibility of financial institutions in auction transactions and opens up opportunities for a review of legal protection for parties who have civil relations with auctioned objects.

Previous studies have highlighted various issues surrounding the implementation of mortgage auctions, particularly regarding procedural compliance and banks' responsibilities as stipulated in Minister of Finance Regulation (PMK) Number 122 of 2023 on auction guidelines. Article 12 states that the seller is responsible for the validity of ownership and documents, the formal and material validity and accuracy of statements regarding the absence of changes in physical and legal data, and other records on the land, apartment units, or objects to be auctioned; the conformity between the goods and the auction object documents; and claims for compensation and enforcement of the decision, including coercive fines/penalties in the event of failure to fulfill those responsibilities. If bank's fails to fulfill its responsibilities, losses may follow. Hartono et al. (2025) found auction practices conducted without notifying third party guarantors, which resulted in losses and contravened the principle of legal protection in the Mortgage Law. Furthermore, Sambodo et al. (2025) highlight bank responsibility when an auction is conducted prematurely before the debtor defaults, which clearly violates debtor rights. In line with this, Subhan Amnan (2022) states that court ordered cancellation of an auction can cause significant losses for the auction winners and emphasizes the responsibility of the bank as the party initiating a procedurally flawed auction process.

Based on previous studies, the focus has tended to be on procedural aspects, debtor default, and court ordered cancellations. However, a research gap remains concerning bank responsibility in land auction transactions that lack a legal basis. This study seeks to fill that gap by examining bank responsibility in such transactions, focusing on Supreme Court Decision No. 662 PK/PDT/2023. The chronology began with an execution auction conducted by PT Bank Rakyat Indonesia (BRI), Palopo Branch, for land and buildings pledged by a debtor. The property was auctioned through the State Property and Auction Service Office (KPKNL) in accordance with administrative procedures. In the auction process, H. Ismail became the legal winner of the auction and paid the full auction price in accordance with applicable regulations.

However, after the auction concluded, a dispute arose. Another party claimed that the land and building auctioned were not owned by the debtor, but by a third party who was not involved in the credit agreement with BRI. Thus, the auctioned property should not have been valid as collateral for debt and could not be executed through auction. As a result of this situation, H. Ismail, who had officially purchased the auctioned object, became the party that suffered significant losses, because he had paid in full but could not enjoy the ownership rights to the land he had purchased. Feeling aggrieved, he sued PT BRI, the debtor, and the KPKNL as co-defendants in the Palopo District Court on the basis of an unlawful act (PMH), asserting that he was a good-faith buyer who had followed the official state auction process and was unaware of any legal defects in the auctioned property. He demanded that BRI be held responsible for his losses due to its negligence in auctioning property that did not belong to the debtor.

This research is expected to contribute to delineating the limits of financial institutions liability and to strengthening legal protection for parties harmed in auction transactions. It also examines how courts assess the legal position of parties not directly involved in the transaction but having a valid civil relationship with the disputed object. The novelty lies in combining a normative analysis of Article 1365 of the Civil Code on unlawful acts with a case study of judicial decisions with broad impact, there by offering a more comprehensive and applicable account than studies that are purely theoretical or procedural.

METHOD

This study uses a normative juridical method with a case approach, relying on secondary data (literature review). Two categories of legal materials are used. First, primary legal materials binding materials consisting of laws and regulations in force in Indonesia according to the legislative hierarchy (e.g., the Civil Code, Law Number 4 of 1996 concerning Mortgage Rights, and Minister of Finance Regulation Number 122 of 2023 concerning Auction Implementation Guidelines). Second, secondary legal materials non-binding materials that complement the primary materials (e.g., books, journals, theses, websites, and dictionaries). The analysis assesses the legal position and responsibility of banks when auctioning land without a valid basis of ownership. The case approach centers on Supreme Court Decision No. 662 PK/PDT/2023 to evaluate the application of law in practice, reinforcing the argument that bank responsibility stems not only from abstract norms but also from judicial practice. A brief literature review shows that bank liability in auctions is generally examined from a procedural perspective, whereas this study focuses on auctions without a valid basis of ownership. Using this method, the study aims to provide a more comprehensive understanding of the limits of bank liability in auctions and to contribute to the development of civil law, particularly in protecting aggrieved third parties.

RESULTS AND DISCUSSION

The issue of bank liability in land auction transactions without a valid basis of ownership is an important intersection between banking practices, property law, and civil liability (Nurdiansyah & Jadidah, 2024). As outlined in the introduction, Supreme Court Decision No. 662 PK/PDT/2023 shows that banks, in their role as auction applicants, cannot be fully protected from liability when the auction object is proven to have no legal ownership rights. This case provides an important lens through which to examine the limitations of Article 1365 of the Indonesian Civil Code on unlawful acts (PMH) in the context of financial institution activities. The following discussion will analyzes the extent of the bank liability, the judicial reasoning adopted by the Supreme Court, and the implications of this ruling for creditors and third parties involved in auction transactions. Thus, this section will not only evaluate the doctrinal basis of bank accountability but also highlight its practical consequences for future banking and auction practices in Indonesia

Legal Responsibility of Banks in Land Auctions Without Title Deeds

The position of third parties in the context of land auctions conducted without a Certificate of Ownership by banks as creditors is crucial in Indonesian civil law especially when the land is owned by third parties not involved in the credit agreement. These third parties are often vulnerable, as their land may be auctioned without legal right, for example because the bank ignores verification of ownership status or relies on collateral rights that are legally flawed. As rightful owners, third parties are protected by the principle of legal certainty in land ownership as stipulated in Law Number 5 of 1960 concerning Basic Agrarian Principles (UUPA), which guarantees land rights as absolute rights that cannot be taken without due process (Valayvi & Djuwityastuti, 2016). In scenarios lacking SHM, third parties such as prior purchasers who have paid in full or heirs may claim that the auction violates their rights because the bank failed to ensure that the collateral was not exclusively owned by the debtor. This places third parties as legal subjects entitled to demand cancellation of the auction and compensation, while underscoring that banks must not act unilaterally without proper due diligence. Due diligence here refers to investigation, audit, and verification to confirm facts and details relevant to business and investment decisions; its purpose is to examine assets and liabilities, assess risks, and identify areas for further review.

In line with this position, the application of Unlawful Acts (PMH) based on the elements of Article 1365 of the Civil Code (KUHPerdata) is the main basis for assessing the bank's liability to third parties. This article requires five cumulative elements: the existence of an act, unlawfulness, fault (whether intentional or negligent), the occurrence of loss, and a causal relationship between the act and the loss. First, there was an active act by PT BRI in actively auctioning off the land and buildings. Second, the act was unlawful because the bank auctioned off the land without verifying its legal ownership, which was contrary to the fiduciary obligations in Law No. 4 of 1996 concerning Mortgage Rights (Article 14), whereby execution must rely on a clear collateral object. Third, fault can be proven through the bank's negligence in due diligence, such as not checking the land history at the National Land Agency (BPN), which violates the principle of banking prudence (Banking Law Article 29). Fourth, the losses to third parties include loss of ownership rights, litigation costs, or a decrease in asset value, which can be material or immaterial. Fifth, causality is fulfilled because as a result of the auction, the third party lost their land, without the intervention of other factors. These elements are interrelated, allowing third parties to file civil lawsuits to restore their rights, as civil law doctrine emphasizes protection for innocent parties.

Further analysis shows that the bank's actions in auctioning land without legal rights are more likely to be classified as PMH than mere administrative negligence, especially if there is evidence of intentional or negligent misconduct. Administrative negligence may apply if the error is only a minor procedural one, such as a delay in reporting to the Financial Services Authority (OJK), which only results in administrative sanctions. However, in cases of auctions without SHM, the bank's actions often meet the criteria for PMH because they involve violations of third-party property rights, which are substantive and directly detrimental. For example, if the bank relies on temporary proof of ownership such as Girik without conversion to SHM, this is not only administrative but also unlawful, because Article 19 of the UUPA requires certainty of proof of rights. The court tends to rule in favor of PMH if the bank fails to prove good faith, so the bank may be required to pay full compensation, including restoration of third-party property rights (Prakasa et al., 2023). This analysis is reinforced by the principle of pacta sunt servanda, which is limited by the principle of justice, whereby the bank's negligence cannot be justified as a mere business risk.

The legal responsibility of banks as creditors holding collateral in land auctions without a Certificate of Ownership (SHM) is a crucial issue in Indonesian civil law. This issue concerns legal certainty, consumer protection, and the principle of prudence, which is the basis of modern banking practices. As a creditor, the bank not only has the right to execute credit collateral when the debtor fails to fulfill their obligations, but also has a moral and legal obligation to ensure that the execution is carried out in accordance with applicable legal procedures. The normative basis for this can be found in Law Number 4 of 1996 concerning Land Rights and Objects Related to Land (Land Rights Law). Article 6 stipulates that creditors holding security rights have the right to sell the object of the security rights through a public auction if the debtor defaults (Oktavira, 2024). However, this right is subject to absolute conditions: the object being auctioned must be clear, legally valid, and registered with the Land Office. Therefore, the bank's responsibility to verify the status of the land before the auction becomes a fundamental obligation.

Banks essentially act as *fiduciary institutions,* where *a fiduciary* is a person or organization that acts on behalf of another party to maintain good faith and trust. To be able to do this job, they must be bound by law and ethics because they protect the interests of other parties. Banks are *fiduciary institutions* that manage public funds and channel them back in the form of credit. This fiduciary position requires the application of *the prudential principle,* as stipulated in Law No. 10 of 1998 concerning Amendments to the Banking Law. The prudential principle positions banks as parties that are obliged to protect not only debtors and creditors, but also the interests of third parties who may be affected, such as auction buyers. In practice, banks must ensure that every collateral right used as the basis for execution has a valid legal basis, namely a SHM or other rights certificate recognized by the National Land Agency (BPN) (Az-zahra et al., 2025). If banks auction land based only on temporary proof of ownership such as girik or private sale and purchase agreements, the auction has the potential to cause disputes because the ownership status is not final.

The obligation of due diligence are the core of the bank's legal responsibility. This process includes checking land history through BPN, checking overlapping ownership, and confirming dispute-free status. If this step is ignored, the bank could be considered to be in breach of the principles of good faith inherent in credit contracts and civil fiduciary (Putra, 2017). As a result of negligence, a buyer acting in good faith who has fulfilled their obligations in the auction may lose their rights if it turns out that the land does not belong to the debtor. In such circumstances, the bank may be sued for unlawful acts (PMH) as stipulated in Article 1365 of the Civil Code, with consequences of material and immaterial damages.

A number of other regulations reinforce this framework of responsibility, including Regulation of the Minister of Finance of the Republic of Indonesia Number 122 of 2023 concerning Auction Implementation Guidelines, (Article 12) which requires auction organizers or sellers to only auction items with valid documents. However, because the bank is the party filing for execution, the primary responsibility remains with the bank (Maskanah et al., 2024). When a bank submits a problematic object for auction, the bank can be held jointly liable. Judicial practice also affirms this. Supreme Court Decision No. 1234 K/Pdt/2015, for example, states that a bank that auctions land without a valid legal basis can be sued for damages by the auction buyer.

From a doctrinal perspective, this is consistent with the theory of legal protection for buyers acting in good faith. Indonesian civil law emphasizes the need to provide certainty and justice to parties who have transacted in good faith, even if it later turns out that there are defects in the object of the transaction. Therefore, buyers in public auctions must be positioned as the most protected party, because they do not have the capacity to examine the legality of the object as banks do. The burden of legal responsibility lies entirely with the party submitting the auction.

Actual cases demonstrate this complexity. The 2022 OJK report notes an increase in complaints related to formally and materially flawed collateral execution. Large banks, including BRI and BCA, have faced lawsuits for auctioning girik land without converting it to SHM. Courts often cancel auctions and order banks to pay billions of rupiah in compensation. The Supreme Court Decision No. 662 PK/Pdt/2023 involving BRI Palopo Branch is one example of a case analyzed in relation to this issue. In that case, the plaintiff's parents won the land auction, but it turned out that the auctioned land did not belong to the debtor. The Supreme Court ruled that the bank was negligent in ensuring the validity of the auctioned property, and therefore, together with the debtor, was ordered to pay compensation of IDR 16,040,000,000 (sixteen billion forty million rupiah). This ruling reinforces the jurisprudence that banks cannot hide behind formal procedures but are obliged to ensure substantive legality.

The implications of this legal responsibility are far-reaching for the banking world and the land auction market. For banks, rulings such as this emphasize the importance of stricter *due* diligence procedures before accepting land as collateral. Banks must supplement the credit process with a thorough examination of the status of the land, rather than relying solely on the formal documents provided by the debtor (Haeratun, 2022). For auction practices, the ruling requires the KPKNL to improve its supervisory function and not merely conduct auctions at the request of banks. Synergy between banks, the BPN, and the KPKNL must be strengthened so that there are no more auctions of problematic objects.

Furthermore, the legal responsibility of banks in this context reflects a paradigm shift in civil law, from formalistic legal certainty towards substantive justice. Protection for buyers acting in good faith reflects the principle of social utility of law, as it prevents parties who have complied with procedures from being harmed due to the negligence of professional institutions. Such rulings also signal to the banking industry to improve the quality of governance and credit risk management, thereby maintaining the integrity of the financial system while protecting the public.

Thus, an analysis of the legal responsibility of banks in land auctions without SHM shows that banks are not only economic actors but also legal subjects that must carry out their social responsibilities. The failure of banks to verify ownership is not merely an administrative negligence but a form of unlawful act that can undermine public trust in the banking system and state auction mechanisms. Therefore, banks are required not only to comply with positive rules but also to internalize the principles of prudence, legal certainty, justice, and benefit in every legal action related to credit guarantees and land auctions.

Legal Protection for Injured Parties

Legal protection for aggrieved parties in cases of land auctions without a Certificate of Ownership (SHM) by banks as creditors holding collateral rights is an essential aspect of the Indonesian civil law system, which aims to maintain a balance between the interests of creditors and the legitimate property rights of third parties or debtors. Aggrieved parties, such as legitimate land owners or bona fide auction buyers, often face the threat of asset loss due to the bank's negligence in verifying ownership, as stipulated in Law Number 5 of 1960 concerning Basic Principles of Agrarian Law (UUPA) and Law Number 4 of 1996 concerning Security Rights (Marali et al., 2022). This protection is comprehensive, covering preventive and repressive mechanisms, which enable aggrieved parties to prevent or recover losses through effective legal channels. Thus, the legal system not only emphasizes sanctions against perpetrators, but also empowers victims to defend their rights, in line with the principle of restorative justice in agrarian and banking law.

Preventive legal protection mechanisms are designed to prevent illegal auctions before execution, thereby avoiding greater losses for the aggrieved party. One of the main ways is through a preventive lawsuit in court, where third parties can file a claim based on Article 1365 of the Civil Code (KUHPerdata) to stop the auction process with evidence that the land is not a valid collateral object, such as the existence of ownership rights registered with the National Land Agency (BPN). In addition, a temporary seizure of collateral (sita kepala) can be filed in accordance with Article 226 HIR (Herziene Indonesisch Reglement) to freeze land assets while the dispute is ongoing, preventing banks from unilaterally executing collateral rights (Samodra & Mumpuni, 2025). Another mechanism is to file an objection with the State Property and Auction Service Office (KPKNL), as stipulated in Minister of Finance Regulation No. 122 of 2023 concerning Auction Implementation Guidelines (Article 12), whereby the aggrieved party can submit a formal protest regarding the legality of the auctioned goods, which can delay or cancel the auction schedule if legal defects are proven. This preventive approach emphasizes initial due diligence, enabling swift intervention to protect legal certainty over land.

As a complement, the repressive legal protection mechanism focuses on recovery after the loss occurs, providing comprehensive remediation for the aggrieved party. Compensation is the main instrument, whereby banks can be sued for Unlawful Acts (PMH) under Article 1365 of the Civil Code, with compensation covering material losses (such as lost land value) and immaterial losses (such as psychological trauma), as per precedent in Supreme Court decisions. Auction cancellation can also be obtained through a lawsuit to cancel the execution of collateral rights (Article 14 of the Collateral Rights Law), which allows the court to declare the auction null and void if it is proven to be without legal basis of ownership, thereby restoring the status quo ante. Furthermore, the restoration of ownership rights is carried out through a court decision ordering restitution, whereby the land is returned to the rightful owner or a third party, supported by Article 19 of the Basic Agrarian Law, which guarantees the conversion of temporary proof of ownership such as Girik to SHM. This repressive mechanism is not only restorative but also deterrent, encouraging banks to be more careful in the fiduciary process.

The role of judicial institutions in providing justice to aggrieved parties is central, as independent and impartial guardians of the law. The Commercial Court or District Court, in accordance with its authority under Law Number 48 of 2009 concerning Judicial Authority, is responsible for examining evidence such as land certificates and collateral history, and deciding whether the bank's actions fulfill the elements of PMH. In practice, the Supreme Court often upholds first-instance decisions, such as in Supreme Court Decision Number 567 K/Pdt/2016, in which the court ordered the cancellation of the auction and compensation of IDR 300 million to the third party, emphasizing the principle of substantive justice. The judiciary also plays a role in pre-trial mediation to expedite settlements, as stipulated in Supreme Court Regulation No. 1 of 2016, thereby reducing the litigation burden on victims. Thus, the judiciary not only enforces the law, but also ensures accessibility to justice for vulnerable parties, such as farmers or land heirs, who are often disadvantaged by the imbalance of power with banks.

A review of legal protection theory, particularly by Philipus M. Hadjon in his book "Legal Protection for the Indonesian People" (1987), reinforces this framework by distinguishing between preventive and repressive protection. Hadjon defines preventive protection as efforts to prevent rights violations through proactive legal norms, such as bank due diligence regulations in Law No. 10 of 1998 concerning Amendments to Law No. 7 of 1992, which is in line with the KPKNL's preventive lawsuit and objection mechanisms to prevent flawed auctions. Meanwhile, repressive protection is reactive in nature, in the form of sanctions and post-violation remedies, such as compensation and restoration of rights, which reflect Hadjon's theory of restoring the victim to their original position (restitutio in integrum). This theory emphasizes that legal protection must be holistic, meaning it must be comprehensive, integrating preventive aspects to prevent losses and repressive aspects for correction, with the aim of achieving social justice in Indonesian agrarian society (Tim Hukumonline, 2022). Hadjon's approach has been adopted in jurisprudence, strengthening the effectiveness of legal mechanisms against the abuse of collateral rights.

Case Analysis: Supreme Court Decision No. 622 PK/PDT/2023

The legal process for this case was quite lengthy. At the first level, the Palopo District Court, through Decision No. 30/Pdt.G/2020/PN Plp, granted part of the lawsuit, declared H. Ismail a buyer in good faith, and ordered BRI to pay material damages of IDR 16.04 billion. This decision was upheld by the Makassar High Court in Decision No. 56/PDT/2021/PT MKS with editorial corrections. However, the Supreme Court, in its cassation decision (Decision No. 2236 K/Pdt/2022), overturned and rejected all of the Plaintiff's claims. Dissatisfied, the Plaintiff filed for a case review. In this case review, the Supreme Court found that there was a judicial error or clear mistake in the previous cassation decision, as it was proven that the auction was conducted on objects that did not belong to the debtor and that the auction buyer (H. Ismail) was acting in good faith. Therefore, the Supreme Court overturned the cassation decision, upheld the judex facti decision, and ordered BRI and the debtor (Co-Defendant II) to pay damages jointly and severally in the amount of Rp8.02 billion each.

The Supreme Court's legal considerations in the case emphasized protection for buyers acting in good faith. The panel ruled that Bank BRI, as the creditor requesting the auction, and the debtor who pledged the property without legal grounds, must be held responsible for the losses incurred. This is in accordance with the principle of liability in civil law, whereby parties who cause losses due to negligence or error are obliged to compensate for those losses. Thus, the Supreme Court prioritized the principle of substantive justice over mere formal certainty, as there was clearly an irregularity in the auction procedure that harmed third parties.

Legally, this PK decision reflects three main principles of law: certainty, justice, and benefit. Legal certainty is upheld by correcting the error in the previous cassation decision, which rejected the lawsuit without considering the facts of land ownership. Justice is achieved because the rights of buyers acting in good faith are recognized and protected, even though the auctioned property cannot ultimately be taken possession of. Meanwhile, the principle of benefit is realized by providing compensation to the heirs so that the significant losses they suffered do not cause social or economic uncertainty.

However, this decision also contains several critical notes. In terms of strength, the PK decision provides important legal protection for buyers acting in good faith and affirms the bank's responsibility to ensure the legality of the credit collateral before auctioning it. However, its weakness is that the decision is limited to material compensation without considering the immaterial aspects previously requested by the Plaintiff. In addition, the 50:50 allocation of liability between the bank and the debtor can be considered disproportionate, given that banks, as professional institutions, should be more careful in verifying the validity of collateral. The implications of this ruling for banking practices and land auctions are significant. Banks must be more rigorous in their due diligence of collateral objects to avoid disputes in the future, while the KPKNL is also required to be more careful in conducting auctions.

CONCLUSION AND RECOMMENDATIONS

This study confirms that the responsibility of banks in land auctions without a valid basis of ownership cannot be ignored simply on the grounds that they have followed the administrative procedures for auctions. Through an analysis of Supreme Court Decision No. 662 PK/PDT/2023, it is evident that banks as creditors holding collateral rights can be classified as committing an unlawful act (PMH) if they carry out execution without thoroughly verifying the ownership status of the land. This decision advances the study of Indonesian civil law by providing an important precedent regarding the protection of third parties, particularly bona fide purchasers who are harmed by the bank's negligence. Doctrinally, this study fills a gap in the literature by highlighting the substantive responsibility of banks beyond mere procedural compliance. Thus, this study broadens the understanding of the application of Article 1365 of the Civil Code in the practice of mortgage auctions, while emphasizing the importance of the principles of legal certainty, justice, and benefit in the settlement of agrarian and banking disputes. Recommendations for this research is

1. For Banks: Banks need to strengthen the due diligence mechanisms for credit collateral by ensuring the legitimacy of ownership at the National Land Agency (BPN). The verification process must be comprehensive, including checking potential land disputes before the auction execution, so that banks are not entangled in PMH lawsuits.
2. For KPKNL: As the auction implementing institution, KPKNL should not only focus on administrative aspects, but also ensure the validity of auction objects submitted by bank, so that the principle of prudence can be enforced in order to prevent disputes in the future.

3. For the Government and Regulators (OJK and Ministry of Finance): It is necessary to improve land auction regulations by emphasizing the obligation to verify legal ownership before execution. OJK's banking supervision must also include compliance aspects in the execution of collateral auctions.

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