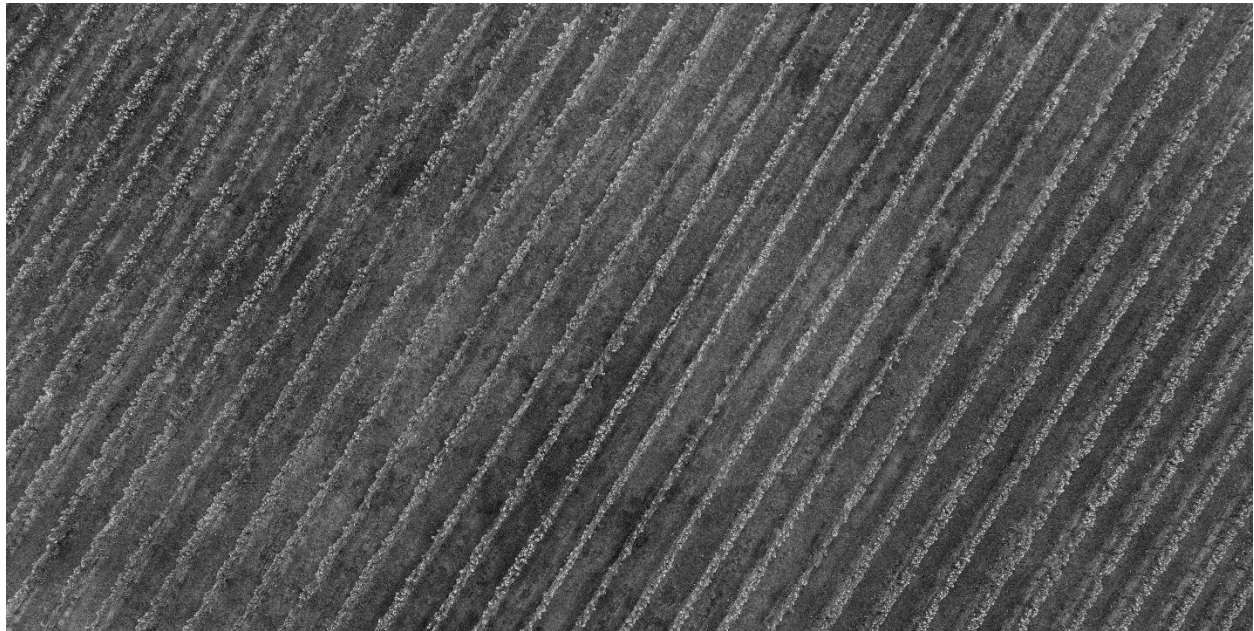


## **Significant Amendments to Land Rights Regime Under Ministerial of Agrarian and Spatial Planning / Head of National Land Office Regulation No. 5 of 2025**



### **Summary**

- MR 5/2025 develops Indonesia's land rights regime by reaffirming and refining key reforms first introduced in the short-lived MR 2/2025. It clarifies the delegation and sub-delegation of authority across various levels, central, regional, and local, based on region categorization, land size, and other factors. It also introduces specific thresholds for special zones like Batam's Free Trade Zone and the Nusantara Capital City Area.
- MR 5/2025 also provides more certainty on land right renewals, extensions, and conversions. It allows designated officials to recommend reissuance based on ownership type and empowers local Land Offices to handle routine matters like HGB or HP renewals under 600m<sup>2</sup>. Crucially, it resolves past ambiguity by confirming that converting HM to HGB and HP can proceed via auction or state relinquishment, codifying an already common practice.



## Background

On April 28, 2025, the Minister of Agrarian and Spatial Planning / National Land Agency (“**Minister**”) issued Regulation Number 5 of 2025 on the Delegation of Authority for the Granting of Land Rights and Land Registration Activities (“**MR 5/2025**”). This regulation repeals and replaces Minister Regulation Number 16 of 2022 (“**MR 16/2022**”), which had been recently amended in March 2025 by Minister Regulation Number 2 of 2025 (“**MR 2/2025**”).

Despite the short-lived nature of MR 2/2025, MR 5/2025 essentially restates the key changes to the land law framework that MR 2/2025 introduced. Additionally, MR 5/2025 clarifies certain provisions from the MR 2/2025 and introduces further revisions that largely build upon the provisions of MR 16/2022. Notably, MR 5/2025 sets out new provisions on the delegation and sub-delegation of the Minister’s authority in determining land rights, issuing land rights certificates and conducting land registration.

This client alert highlights the key changes introduced by MR 2/2025, as carried forward in the MR 5/2025, compared to the previous regime under the MR 16/2022 regime.

### Key Changes

New rules and/or key changes introduced under MR 5/2025 or MR 2/2025, which remain under MR 5/2025, are as follows:

- **Region Categorization**

The Indonesian law classifies regions in Indonesia into several categories based on factors such as land value, population density, and geographical conditions. This classification will determine which authority, or institution has jurisdiction to issue land rights. Each category applies different thresholds for assigning this authority. Furthermore, MR 5/2025 introduces specific thresholds for land located within the Free Trade Zone and Free Port Area of Batam and the Nusantara Capital City Area, which were not addressed under MR 2/2025 or MR 16/2022.

- **Recommendation for Reissuance of Land Rights**

Certain land rights are granted only for a specific period. Once this period ends, landowners may apply for a reissuance. MR 5/2025 allows the Minister to delegate the authority to issue the necessary recommendations for such reissuance:

- a. For land rights held by legal entities, the recommendation may be issued by the Director General of Land Rights and Registration (*Direktorat Jenderal Penetapan Hak dan Pendaftaran Tanah*).



- b. For land rights held by individuals, the recommendation may be issued by the Head of the Regional Land Office (*Kepala Kantor Wilayah*).

- **Division of Authority to Issue Land Rights**

Under MR/2025, the authority to issue land rights is held by (i) the Minister, (ii) the Head of the Regional Land Office, or (iii) the Head of the local Land Office (*Kepala Kantor Pertanahan*), depending on the type of the land rights and size of the land. MR 5/2025 revises the thresholds and criteria that determine which of these authorities is responsible for issuing land rights.

- **Renewal or Extension of Building Use Right (Hak Guna Bangunan or “HGB”) and Right to Use (Hak Pakai or “HP”) for Land Parcels**

MR 5/2025 clarifies that the Head of the local Land Office is authorised to approve the renewal or extension of HGB or HP for land parcels resulting from subdivision, separation and consolidation processes, provided that the size of the land parcels does not exceed 600m<sup>2</sup>.

- **Conversion of Right of Ownership (Hak Milik or “HM”) to HGB or HP**

MR 5/2025 clarifies the previously unclear provisions under MR 2/2025 concerning the conversion of HM to HGB or HP, which had been open to interpretation as only being possible through an auction. MR 5/2025 now confirms that such a conversion may be conducted in two ways:

- a. through an auction process; **or**
- b. through relinquishing the HM to the state, followed by the granting of the new land rights, which is a practice that has already been implemented.

MR 5/2025 also repeals Minister Regulation Number 18 of 2021 on Procedures for the Establishment of Management Rights and Land Rights, except for the provisions governing the auction process, which remain in effect.

## Conclusion

MR 5/2025 reflects the government’s push to modernize land services and bring greater clarity to how land rights are managed. With clearer roles, streamlined procedures, and updated rules, MR 5/2025 is expected to reduce delays and confusion in practice. However, as with any regulatory change, successful implementation will depend on how consistently the new rules are applied on the ground. It is important for stakeholders to stay informed, engage with the relevant local Land Offices and Land Deed Official (*Pejabat Pembuat Akta Tanah*) when needed, and prepare for practical adjustments in land-related processes.



## Contact



Adhika Aditya

**Partner**

+6221 509 046428

[adhika.aditya@ditralaw.com](mailto:adhika.aditya@ditralaw.com)

This Legal Update has been jointly prepared by the Partner named above, with contributions from **Michael Ho** of Ditra Law Partnership.