

**POSITION OF AGREEMENT ON LAND ALLOCATION, USE, AND
MANAGEMENT OVER CERTAIN PORTIONS ON LAND UNDER
MANAGEMENT RIGHT OF THE AUTHORITY OF INDUSTRIAL AREA
DEVELOPMENT OF BATAM ISLAND AND ITS IMPACT IN THE FUTURE**

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ABSTRACT

The study seeks to find the legal basis of the Authority of Batam in arranging an agreement with third party before and after the issuance of the Certificate of Management Right, the status the Agreement on the Allocation of land between the Authority of Batam and the third party before and after the issuance of the Certificate of Management Right and the impact of the handover of use right to the third party before and after the issuance of management right and its legal protection.

This research was conducted in Batam, in the Province of Riau Archipelago. Respondents are the third party who had had an agreement on the allocation, use, and management of land over certain portions on the land under management right of the authority for the development of industrial area in Batam Island which certificate of management right has been and yet to be issued. Data are collected by distributing questionnaire for respondents and interviewing authorities. Primary as well as secondary data collected are then analyzed qualitatively.

Result indicates that:

1. The legal basis of Batam Authorities in handing over the portions of land under management rights in the agreement with the third party as prescribed by the Minister of Domestic Affairs' regulation 1, 1977, before and after the issuance of management right certificate is based on the President's Instruction 41, 1973 and the Minister of Domestic Affairs' Regulation 1, 1977
2. The letter of agreement pertaining the allocation, use, and management of land over certain portions of the land under management right of the authorities of industrial area development in Batam Island that was made after the issuance of its certificate of management right is legitimate and has conformed to the existing law. On the other hand, the letter of agreement pertaining the allocation, use, and management of land over certain portions on the land under management right of the authority of industrial area development in Batam Island that had been made before the issuance of its

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certificate of management right is legitimate and must be revoked by the law because the management right was not yet acquired

3. The handover of land use of the certain portions of the land under management right to the third party before the issuance of management right does not guarantee legal certainty since the third party is not able to register the rights over his land. On the other hand, handover of land use after the issuance of management right does not prevent the third party from registering the right over his land and entitles him by the law to exercise his right on the land.

Keywords: Agreement, Management Right, Batam Authority