

Dualism of Land Management Authority between BP Batam and the Batam Municipal Government: Its Impact on Building Use Right Certificates

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Abstract

The dualism of land management authority between the Batam Indonesia Free Zone Authority (BP Batam) and the Batam Municipal Government has generated persistent legal and administrative challenges in the issuance of Building Use Right Certificates in Batam City. Overlapping authority has resulted in prolonged certification procedures, regulatory inconsistencies, and heightened legal uncertainty, which negatively affect investment realization and the effectiveness of land governance. Despite the existence of comprehensive statutory frameworks, the implementation of HGB certification in Batam continues to encounter structural obstacles arising from fragmented institutional authority. This study aims to examine the impact of the dualism of authority between BP Batam and the Batam Municipal Government on HGB certification services and to propose policy recommendations to enhance legal certainty and administrative efficiency. The research employs empirical legal research using a statutory and phenomenological approach. The findings indicate that the dual authority structure has significantly delayed HGB certification, with more than 1,100 applications pending in 2023 and affected investment values amounting to approximately IDR 2.3 trillion. Divergent documentary requirements, zoning maps, and procedural standards between BP Batam and the municipal government have created duplicative processes and extended verification stages, resulting in certification timelines of up to 180 days for land parcels requiring approval from both authorities. Although BP Batam regulations provide detailed technical guidance and strong formal legal legitimacy, their implementation is frequently misaligned with municipal policies, thereby

weakening substantive legal certainty. The study further reveals that limited inter-agency coordination, insufficient integration of information systems, and the absence of binding dispute-resolution mechanisms contribute to recurring land disputes and litigation. The study concludes that resolving land governance dualism in Batam requires regulatory harmonization, clearer delineation of authority, and the establishment of an integrated One Door Service Unit supported by a Batam-specific Online Single Submission system to accelerate certification processes and strengthen legal certainty.

Keywords: Land Governance Dualism; Building Use Rights (HGB); Legal Certainty; Investment; Administrative Coordination

Introduction

The dualism of land management between the Batam Indonesia Free Zone Authority (BP Batam) and the Batam Municipal Government has a significant impact on the process of certifying Building Use Rights (*Hak Guna Bangunan/HGB*) in Batam City. BP Batam exercises authority over approximately 70% of the land area in Batam City, while the remaining 30% is managed by the municipal government. This division of authority has resulted in overlapping control and land administration, which in turn affects the efficiency of the HGB certification process. In several cases, applicants for Building Use Right Certificates (*Sertifikat Hak Guna Bangunan/SHGB*) are required to undergo longer and more complex procedures, as approvals must be obtained from both institutions. This situation not only delays the certification process but also increases costs and legal uncertainty for applicants (Artanto & Harefa, 2020). Furthermore, policy discrepancies between BP Batam and the Batam Municipal Government frequently lead to inconsistencies in spatial planning and land-use designation, which ultimately affect the feasibility and legal validity of the issued SHGBs. According to data from the National Land Agency (*Badan Pertanahan Nasional/BPN*), approximately 40% of the HGB certification processes in Batam City encounter obstacles due to issues arising from land governance dualism.

Land management in Batam City has distinctive characteristics compared to other regions in Indonesia, as, in principle, all land is placed under the Management Right (*Hak Pengelolaan/HPL*) of BP Batam, whose authority derives from central government policies following Batam's designation as an

industrial zone and a free trade area. In practice, BP Batam is authorized to allocate land to third parties through the granting of Building Use Rights, Cultivation Rights, or Use Rights based on contractual arrangements (Pitriani, Kurniawan, & Sekarmadji, 2025). However, this management pattern often gives rise to legal issues, particularly in cases involving unilateral revocation of land allocations or administrative irregularities in land administration, resulting in legal uncertainty for both investors and local communities. Several court decisions have even classified certain actions of BP Batam as unlawful acts by the government (*onrechtmatige overheidsdaad*), indicating that land management in Batam continues to face serious challenges in terms of legal certainty, accountability, and good governance principles (Pitriani, Kurniawan, & Sekarmadji, 2025).

On the other hand, land management in Batam City, particularly in the Rempang and Galang Islands, has also triggered social conflicts related to the protection of local communities and customary law communities' land rights. Various studies indicate overlapping authority between BP Batam and the Batam Municipal Government, as well as weak recognition and protection of land rights that have been traditionally occupied by local communities for generations. These conditions become increasingly complex when national strategic projects, such as the Rempang Eco-City project, are implemented without meaningful participation from affected communities, thereby triggering resistance, agrarian conflicts, and allegations of human rights violations. Accordingly, land governance in Batam City not only requires legal certainty within the framework of BP Batam's Management Rights but also necessitates regulatory reform, clearer delineation of authority, and a just, human rights-based approach in every land policy (Assyifarizi & Purwanto, 2023; Murti & Susilowati, 2024; Hanafi, Abra, & Malau, 2025).

Land management in Batam City is regulated by several legal instruments that provide guidance for relevant stakeholders in resolving land governance issues, particularly those concerning land under the Management Rights of the Batam Municipal Government. Batam Mayor Regulation Number 47 of 2023 governs the administration of land management over management rights granted

by the local government, aiming to ensure land utilization in accordance with applicable regulations. In addition, Regulation of the Head of the Batam Free Trade Zone and Free Port Authority Number 18 of 2020 regulates amendments related to land management within the Batam area, emphasizing transparent and efficient procedures. Another relevant regulation, Regulation of the Head of BP Batam Number 1 of 2018, governs the types and tariffs of services at the BP Batam Land Management Office, with the objective of facilitating administrative processes and land governance. One specific provision that serves as a key reference is Article 5 of BP Batam Regulation Number 18 of 2020, which sets out the mechanisms and requirements for land management in Batam City, ensuring that land governance is conducted in accordance with applicable legal principles and does not prejudice the rights of concerned parties.

Several studies have examined the effectiveness of BP Batam's policies regarding land governance dualism and their impact on the certification of Building Use Rights in Batam City. Research findings indicate that policies governing land management and HGB certification issued by BP Batam have not been fully effective in addressing the dualism of authority between BP Batam and the Batam Municipal Government (Aritonang & Maheswara, 2023). These studies primarily adopt a normative juridical approach and remain limited to legal theory without strong empirical data. Other studies analyzing the impact of overlapping land certification policies suggest that inadequate inter-agency coordination constitutes the main obstacle in the certification process. The strength of these studies lies in their policy analysis, although they highlight the need for stronger supervisory mechanisms. Further empirical research demonstrates the potential for improving the certification process through more effective collaboration between BP Batam and the Batam Municipal Government (Prasojo, 2024).

This study focuses on three interrelated aspects: (1) regulations governing land use and Building Use Right certification in Indonesia; (2) land management policies implemented by BP Batam that influence the issuance of SHGB; and (3) the impact of authority dualism between BP Batam and the Batam Municipal Government on HGB certification services. These aspects are examined through

interviews conducted with the Head of the Complaints and Public Information Services Division at BP Batam, Mr. Jontara, and a staff member of the Batam Municipal Land Office, Mr. Arif Witoko. The objective of this research is to analyze the relationship among these three aspects and to provide recommendations for more effective land management and Building Use Right certification policies in Batam City. The contribution of this study is expected to offer new insights into land-use regulation and HGB certification policies in Batam, as well as to provide a foundation for the development of more integrated public policies in land governance and the improvement of HGB certification services. The limitations of this study lie in its focus on Batam City, which may limit its applicability to other regions with different land management characteristics, as well as constraints on access to institutional data, which hinder a more in-depth analysis of SHGB licensing processes.

Research Method

The research employed in this study is empirical legal research, focusing on the examination of policy implementation and practical realities related to the certification of Building Use Rights (*Hak Guna Bangunan*) in Batam City. The research adopts a statutory approach and a phenomenological approach, with the latter emphasizing an in-depth understanding of the lived experiences directly encountered by the people of Batam City (Sumarna & Kadriah, 2023). The data used in this study consist of primary and secondary data. Primary data were obtained through interviews with relevant stakeholders, including officials from the Batam Indonesia Free Zone Authority (BP Batam), represented by Mr. Jontara, and the Batam Municipal Government, represented by Mr. Arif Witoko. Secondary data comprise relevant laws and regulations, including Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency Number 21 of 2020, Law Number 5 of 1960 on Basic Agrarian Principles, Law Number 29 of 2000 on the Batam Free Trade Zone and Free Port Area, as well as regulations issued by BP Batam.

Data collection techniques were carried out through field studies and literature reviews, involving the examination of existing legal regulations and

their implementation in practice. The data were analyzed using a descriptive qualitative method, by describing and interpreting the collected data to identify existing problems and to formulate effective solutions to the dualism of authority in the certification of Building Use Rights in Batam City. This study aims to provide a comprehensive understanding of the effectiveness of BP Batam's policies in addressing issues of overlapping authority and in enhancing legal certainty in the issuance of land certificates.

Results and Discussions

Regulation of Land Use in Relation to the Certification of Building Use Rights (*Hak Guna Bangunan*) in Indonesia

Land-use regulation in Indonesia plays a strategic role in supporting the development of the property sector while ensuring the sustainability of spatial planning. Land management is not merely a technical-administrative matter but is closely linked to social, economic, environmental, and political dimensions. One of the principal legal instruments governing land use is Law Number 5 of 1960 on Basic Agrarian Principles (Undang-Undang Pokok Agraria/UUPA), which establishes that all land in Indonesia is controlled by the state and shall be utilized for the greatest prosperity of the people (Setyobudi & Anggriani, 2021). The UUPA serves as the foundational pillar of Indonesia's agrarian policy, providing the legal basis for the issuance of various land rights, including Building Use Rights (*Hak Guna Bangunan*/HGB). HGB grants its holders the authority to construct buildings on state land or land subject to other rights and plays a significant role in supporting investment activities and infrastructure development (Husna, 2025).

However, the existence of normative provisions in the UUPA does not automatically guarantee uniformity or effectiveness in their implementation. Further regulations governing the procedures and mechanisms for issuing Building Use Right Certificates (Sertifikat Hak Guna Bangunan/SHGB) are stipulated in various implementing regulations. One of the most important is the

Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency Number 21 of 2020, which regulates land dispute resolution procedures, juridical and physical requirements, and the processes for issuing land certificates, including HGB (Putra et al., 2023). Normatively, this regulation provides relatively detailed guidance. Nevertheless, according to Soerjono Soekanto's theory of legal effectiveness, the effectiveness of a legal norm is determined not only by its substance but also by the readiness of the implementing institutions and its compatibility with the legal culture of society.

Regulations governing SHGB are designed to strengthen transparency and accountability in land administration. Technical guidelines—such as mechanisms for resolving overlapping certificates and administrative errors—are intended to minimize maladministration practices (Astuti, 2023). However, their effectiveness is highly dependent on inter-agency coordination. A case in Batu Aji in 2022 illustrates this issue: a developer who had obtained approval from BP Batam was still required to wait for several months for the issuance of an SHGB due to differing interpretations of site plan documents between the National Land Agency (BPN) and the Batam Municipal Government. The complexity of land governance becomes even more apparent in Batam City. Pursuant to Law Number 29 of 2000 on the Batam Free Trade Zone and Free Port Area, BP Batam is granted broad authority to manage and regulate land use within the area, including the granting of land rights, spatial planning regulation, and supervision of land utilization to support investment (Wahyudi, 2024). However, BP Batam's authority frequently overlaps with that of the Batam Municipal Government as regulated through mayoral regulations.

This phenomenon of dual authority constitutes a recurring source of conflict. From the perspective of authority theory, administrative authority must be derived from clear legal provisions and exercised consistently. In practice, however, differences in the legal bases relied upon by each institution result in policy incoherence. For example, in a housing development project in Batam Center in 2022, although the developer had obtained a Location Approval from BP Batam, the Batam Municipal Government refused to issue a building permit on the grounds of zoning incompatibility (DetikGlobalNews, 2024).

Consequently, the project was delayed for more than six months, causing financial losses and diminishing investor interest. Although BP Batam regulations contain detailed provisions on land planning, utilization, and supervision intended to provide clear guidance to business actors, their implementation often conflicts with municipal regulations. Within Gustav Radbruch's analytical framework, legal certainty requires stability and consistency in the application of norms. When two regulations with similar regulatory scopes are applied in an overlapping manner, the expected legal certainty is undermined, exposing business actors to procedural uncertainty.

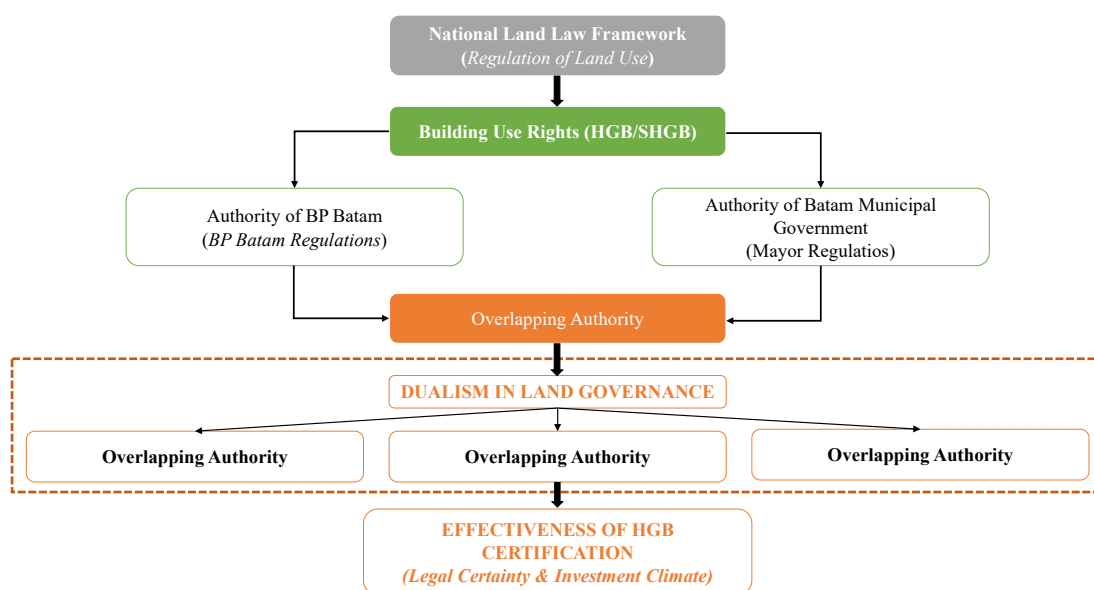
Furthermore, zoning and spatial planning factors further complicate the situation. Zoning regulations are intended to ensure that land use aligns with regional spatial plans for commercial, industrial, and residential purposes (Damanik, 2025). However, discrepancies between zoning maps issued by BP Batam and the Batam Municipal Government often compel developers to revise project plans during the licensing process. A notable case occurred in a shopping center development project in the Nagoya area in 2021, where differing zoning interpretations between the two authorities necessitated design revisions that took six months and incurred significant additional costs. The issue of dual authority thus extends beyond technical considerations and directly affects Batam's investment climate. Foreign investors interested in commercial projects in Batam Center in 2022 reported project delays resulting from divergent licensing procedures requiring dual approvals from BP Batam and the municipal government. From the standpoint of Soerjono Soekanto's theory of legal effectiveness, this situation demonstrates that although legal substance exists, weak inter-agency coordination diminishes the effectiveness of its implementation.

These conditions underscore that improving land governance in Batam cannot be achieved merely by increasing the number of regulations. What is required is regulatory harmonization, procedural simplification, and strengthened institutional coordination. An analytical approach combining Radbruch's theory of legal certainty, Soekanto's theory of legal effectiveness, and authority theory provides a comprehensive framework. Radbruch emphasizes

the importance of normative stability; Soekanto highlights the integration of legal substance, structure, and culture; and authority theory ensures that every administrative action has clear legal legitimacy. Applying this multidimensional approach would yield several benefits: first, reducing overlapping authority by clarifying jurisdictional boundaries; second, accelerating licensing processes by eliminating duplicative procedures; third, strengthening investor confidence through tangible legal certainty; and fourth, providing better legal protection for land rights holders.

Empirically, several regions have successfully implemented similar coordination models. For example, in the Mandalika Special Economic Zone, the central and regional governments established a joint task force to synchronize land licensing processes (DJKN, 2021). This model enabled investors to obtain all necessary permits through a single gateway, reducing processing times from an average of six months to less than two months. If a similar model were adopted in Batam, normative conflicts between BP Batam regulations and Batam municipal regulations could be significantly minimized.

FIGURE 1. Conceptual Framework of Land Use Regulation and Building Use Rights (HGB) Certification in Batam City



The conceptual framework illustrates the interrelationship between land-use regulation and the certification of Building Use Rights (Hak Guna Bangunan/HGB) within Indonesia's national and regional legal framework. At the national level, Law Number 5 of 1960 on Basic Agrarian Principles (UUPA), together with its implementing regulations, including Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency Number 21 of 2020, serves as the primary normative foundation governing land rights and the HGB certification process. These regulations are intended to ensure legal certainty, transparency, and accountability in land administration. However, the effectiveness of these norms largely depends on how they are interpreted and implemented by authorized institutions at the regional level.

In the context of Batam City, the conceptual framework positions BP Batam and the Batam Municipal Government as the two main actors in land management and HGB certification. BP Batam exercises its authority based on Law Number 29 of 2000 and its internal regulations to regulate land use within the free trade zone, while the Batam Municipal Government derives its authority from regional regulations and mayoral decrees, particularly in relation to spatial planning and building permits. The overlap between these two authorities has resulted in a dualism of land governance, which directly affects the HGB certification process through licensing delays, differing interpretations of zoning regulations, and increasingly complex administrative procedures.

Furthermore, the framework demonstrates that this dualism of authority has significant implications for the effectiveness of HGB certification services and for legal certainty for applicants, including both communities and business actors. Procedural uncertainty and prolonged licensing processes not only increase economic costs but also undermine investor confidence in Batam City's business climate. Accordingly, the conceptual framework emphasizes the need for regulatory harmonization, a clearer delineation of authority, and stronger institutional coordination between BP Batam and the Batam Municipal Government in order to achieve legal certainty, administrative efficiency, and equitable land governance.

Land Management Policies Implemented by the Batam Indonesia Free Zone Authority and Their Impact on the Issuance of Building Use Right Certificates

One of the regulations most relevant to this policy framework is the Regulation of the Head of BP Batam (Perka BP Batam). This regulation functions as a key legal instrument governing land utilization within the Batam Free Trade Zone and Free Port Area. Its legal basis is robust, deriving from Article 33 paragraph (3) of the 1945 Constitution, the Basic Agrarian Law, Presidential Decree Number 41 of 1973, and Government Regulation Number 46 of 2007 as amended by Government Regulation Number 4 of 2025. This legal framework grants BP Batam formal legitimacy as the holder of Land Management Rights (Hak Pengelolaan Lahan/HPL), with full authority to regulate land allocation, designation, and supervision within the Batam Free Trade Zone. However, formal legitimacy alone does not automatically ensure smooth implementation in practice. From the perspective of authority theory, a legal mandate is effective only when exercised consistently and in coordination with other competent authorities. Problems arise when BP Batam's authority overlaps with that of the Batam Municipal Government, particularly in licensing and spatial planning, thereby creating a phenomenon of "dual regulations" for land certificate applicants.

Procedurally, Perka BP Batam provides technical guidelines for the issuance of Building Use Right Certificates (SHGB), covering documentary requirements, field inspections, and the issuance of recommendations to the National Land Agency (BPN). These provisions are intended to establish a transparent and accountable process. Nevertheless, differences in administrative requirements between BP Batam and the Batam Municipal Government have instead increased procedural complexity. BP Batam requires documents such as Location Approval (PL), Statement of Responsibility (SPJ), and Decree of Allocation (SKEP), while the municipal government relies on documents such as Land and Building Tax (PBB), Building Permit (BPG), and Spatial Planning Conformity Approval (KKPR) without parcel maps. As a result, applicants are

required to process two distinct sets of documents for two different authorities. Interviews with the Head of the Complaints and Public Information Services Division at BP Batam, Mr. Jontara, indicate that despite formal coordination efforts, administrative discrepancies remain a major source of public complaints. From the standpoint of Soerjono Soekanto's theory of legal effectiveness, this condition reflects weaknesses in the legal structure component, even though the legal substance itself is relatively clear.

The effectiveness of Perka BP Batam cannot be assessed solely on the basis of normative clarity, but must also be evaluated through its practical performance. Empirical data show that while the regulation helps reduce the potential for overlapping land use, coordination barriers remain significant. A case in Batu Aji in 2022 illustrates this issue: a developer who had fulfilled all requirements under Perka BP Batam was still unable to proceed because the Batam Municipal Government refused to process a building permit due to zoning incompatibility. Consequently, the project was delayed for six months and construction costs increased by approximately 15%. Similarly, in a shopping center development project in the Nagoya area in 2021, differing zoning interpretations compelled the developer to revise the building design, resulting in substantial additional time and costs. These cases demonstrate that although Perka BP Batam regulates conformity with spatial planning, its implementation has not been fully synchronized with municipal policies, thereby reducing the practical utility of the regulation.

Findings from interviews and field studies identify three main challenges in the implementation of Perka BP Batam. First, policy fragmentation, where differing documentary requirements between BP Batam and the Batam Municipal Government create duplicative procedures that consume time and resources. Second, limited integration of information systems; although data integration between the Regional Revenue Agency (Bapenda) and BPN has facilitated tax verification, synchronization of zoning maps and land-use designations has yet to be realized. Third, limited public understanding of Perka procedures, which results in avoidable administrative errors. These obstacles

reflect weaknesses in the facilities and infrastructure component as well as in legal culture, as emphasized in Soerjono Soekanto's legal effectiveness theory.

Perka BP Batam provides formal legal certainty for land rights holders in Batam, as certificates issued under this mechanism possess strong legal legitimacy. However, such formal legal certainty has not been fully accompanied by substantive legal certainty in terms of predictability and stability. Administrative obstacles and procedural discrepancies instead generate new forms of uncertainty, particularly for investors who require clear and efficient processes. Within Gustav Radbruch's theoretical framework, good law must not only provide certainty but also be just and beneficial. When lengthy and overlapping procedures diminish economic utility, policy revision becomes a necessity.

For investors, barriers arising from procedural dualism reduce Batam's attractiveness as a strategic investment destination. Interviews with business actors reveal that some investors have been compelled to increase budget allocations to anticipate land licensing delays. These additional transaction costs weaken Batam's competitiveness compared to other regions that have already implemented integrated licensing systems. BP Batam has begun initiating a "one-stop land service" mechanism that integrates licensing processes with the Batam Municipal Government; however, this policy remains in a pilot phase and has not yet been fully implemented.

In light of these conditions, several strategic measures are required to enhance the effectiveness of Perka BP Batam. Synchronizing documentary requirements between BP Batam and the Batam Municipal Government should be prioritized to eliminate duplicative procedures. The integration of digital systems covering zoning data, tax status, and parcel maps in real time would accelerate verification processes and reduce the risk of data conflicts. Furthermore, broader dissemination and socialization of Perka provisions to the public and business actors are necessary to minimize administrative errors. Finally, indicators for evaluating the success of Perka implementation should be expanded beyond the number of certificates issued to include service speed, applicant satisfaction, and reductions in land-related disputes.

The Impact of Dual Authority between the Batam Indonesia Free Zone Authority (BP Batam) and the Batam Municipal Government on Building Use Right (HGB) Certification Services

The dualism of authority between BP Batam and the Batam Municipal Government in land management and the issuance of Building Use Right Certificates (Sertifikat Hak Guna Bangunan/SHGB) constitutes a structural issue that significantly affects the efficiency of land administration policies in Batam City. BP Batam, based on the mandate of Article 33 paragraph (3) of the 1945 Constitution, Law Number 29 of 2000, and Government Regulation Number 46 of 2007 as amended by Government Regulation Number 4 of 2025, exercises control over the Free Trade Zone and Free Port Area. Meanwhile, the Batam Municipal Government regulates land outside these areas pursuant to the Basic Agrarian Law (UUPA), Regional Spatial Planning Regulations (RTRW), and relevant mayoral regulations. In theory, this division of authority is intended to accommodate Batam's unique status as a Free Trade Zone while ensuring optimal governance of its hinterland areas. In practice, however, differences in regulatory frameworks, documentary requirements, and service procedures between the two institutions have resulted in bureaucratic overlap. Local residents and business actors frequently face uncertainty regarding which authority to approach, which documents are applicable, and which zoning maps should be followed. As a result, land certification processes that should be efficient and straightforward become complex and time-consuming.

According to data from the Batam City Land Office (BPN) in 2023, there were 1,127 SHGB applications that experienced delays due to the need for verification by both BP Batam and the Batam Municipal Government. Of these applications, approximately 38% involved commercial and residential projects with a total investment value of around IDR 2.3 trillion. The average processing time for SHGB issuance within BP Batam's jurisdiction ranges from 90 to 120 days, while applications under the Batam Municipal Government typically

require 60 to 90 days. For land parcels requiring approval from both authorities, the certification process can take up to 180 days.

To facilitate a clearer understanding of procedural differences, a comparative overview of the respective authorities and roles of BP Batam and the Batam Municipal Government in SHGB certification is presented below:

TABLE 1. Comparison of Authorities between the Batam Indonesia Free Zone Authority (BP Batam) and the Batam Municipal Government

Aspect	BP Batam	Batam Municipal Government
Legal Basis	Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia; Law No. 29 of 2000 on the Stipulation of Government Regulation in Lieu of Law No. 1 of 2000 on Free Trade Zones and Free Ports as Law; Government Regulation No. 46 of 2007 on the Batam Free Trade Zone and Free Port	Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia; Law No. 5 of 1960 on Basic Agrarian Principles; Batam City Regional Regulation on the Spatial Plan (RTRW); Batam Mayor Regulation No. 47 of 2023 on the Administration of Land Management over the Batam Municipal Government's Management Rights
Required Documents	Location Approval (PL); Sale and Purchase Agreement Letter (SPJ); Decree of Allocation (SKEP); Annual Mandatory Fee of the Authority (UWT); Proof of Payment of Income Tax on the	Land and Building Tax (PBB); Proof of Building Control (BPG); Spatial Utilization Conformity Approval (KKPR); Proof of Payment of Land and Building Tax (PBB Receipt)

	Transfer of Rights to Land and/or Buildings (PPhDB)	
Jurisdiction Area	Free trade zone and free port area (BP Batam Management Rights/HPL)	Non-free trade zones and hinterland areas
Approving Authority	BP Batam → National Land Agency (BPN)	Batam Municipal Government → National Land Agency (BPN)
Service Fees & Processing Time	Annual Mandatory Fee (UWT) in accordance with BP Batam regulations; 90–120 days	Levies in accordance with regional regulations; 60–90 days

Source: Official Website of BP Batam and Batam Regional Revenue Agency (BAPENDA)

The differences in authority and procedures not only increase the administrative burden but also have a direct impact on investment realization. For example, the Batam Center Business District development project in 2022 experienced a six-month delay because BP Batam and the Batam Municipal Government relied on different zoning maps. As a result, the targeted investment absorption of IDR 150 billion was only realized in the following year. This situation also creates a domino effect on legal certainty. Holders of Building Use Right Certificates (SHGB) require clear legal status in order to access bank financing, commence construction, or transfer land rights. When the certification process is delayed, land status becomes vulnerable to disputes, particularly when BP Batam and the Batam Municipal Government hold differing views regarding land rights and land-use designation. Several cases indicate the emergence of overlapping claims, as each authority considers itself to have legitimate competence to issue land-related approvals or certificates.

In an interview with Mr. Jontara, Head of the Complaints and Public Information Services Division at BP Batam, it was explained that although land registration formally remains under the authority of the National Land Agency

(BPN), all applications related to Management Rights (HPL) must first be processed through BP Batam as the mandated land management authority. He acknowledged several challenges, including underutilized land allocations and the need to regulate abandoned land in accordance with Government Regulation No. 20 of 2021. To reduce information asymmetry, BP Batam has introduced the “BP Batam Keliling” outreach program, which provides direct public education on the distinction between Land and Building Tax (PBB) and the Annual Mandatory Fee (UWT), as well as Batam’s specific land governance framework. However, these outreach efforts have not fully resolved the underlying structural obstacles. Although mediation mechanisms between BP Batam and the Batam Municipal Government exist for resolving land disputes, they are rarely effective due to the absence of binding and standardized procedures. As a result, many disputes are not settled through mediation but instead proceed to litigation. This condition contradicts Soerjono Soekanto’s theory of legal effectiveness, which emphasizes the necessity of alignment between legal substance, implementing structures, and legal culture.

Supervision of SHGB issuance faces similar challenges. In the absence of an integrated oversight system, there is a risk that certification processes may be conducted without full compliance with applicable standards, thereby creating opportunities for abuse of authority or maladministration. Resa et al. (2024) emphasize that weak supervision can harm the public, whether through additional costs or the loss of land rights. In response to these conditions, solutions framed merely as general recommendations—such as “establishing a single authority” or “simplifying procedures”—are insufficient. What is required are practical and clearly staged implementation measures. First, the establishment of a One Door Service Unit (ODSU) through a Memorandum of Understanding between BP Batam and the Batam Municipal Government, which would process all SHGB applications through a single physical and digital service point. This unit could utilize the existing infrastructure of the Investment and One-Stop Integrated Services Office (DPMPTSP), thereby avoiding the need to create a new institution.

Second, regulatory harmonization through the revision of BP Batam regulations and Batam mayoral regulations is essential, particularly to standardize documentary requirements and zoning maps. This revision could be carried out by a regulatory synchronization task force involving representatives from the central government, local government, and the National Land Agency, with a targeted completion period of no more than six months. Third, the development of a Batam-specific Online Single Submission (OSS) system that integrates the databases of BP Batam, the Batam Municipal Government, and BPN in real time is necessary. Such a system would ensure that applicants submit documents only once, while all relevant institutions access the same information simultaneously. This approach would not only save time but also reduce the risk of data inconsistencies across institutions.

The implementation stages may be structured as follows: (1) Months 1–3: signing of a Memorandum of Understanding between BP Batam and the Batam Municipal Government regarding the ODSU and data synchronization; (2) Months 4–6: digitization of zoning maps and integration of land databases; (3) Months 7–9: pilot implementation of the integrated service in two priority districts, Batam Center and Batu Aji; and (4) Months 10–12: full-scale implementation throughout Batam City. Potential legal obstacles include the need to revise Government Regulation No. 46 of 2007 to accommodate this integrated service model, while administrative challenges may arise from system integration and cross-institutional staff training. Despite these challenges, the expected benefits are substantial: the average processing time for SHGB applications requiring approval from both authorities could be reduced from 180 days to 90 days, while simultaneously enhancing investor confidence.

Conclusion

The dualism of authority between BP Batam and the Batam Municipal Government in land management and the issuance of Building Use Right Certificates (SHGB) has created significant obstacles to effective land governance in Batam City. Data from the National Land Agency (BPN) in 2023 recorded more than 1,100 pending SHGB applications, with affected investment values

reaching approximately IDR 2.3 trillion. In an interview, Mr. Arif Witoko from the Batam Municipal Land Office explained that delays frequently occur at the verification stage, as applications must be processed by both institutions. Meanwhile, Mr. Jontara from BP Batam acknowledged the need for document harmonization and the regulation of abandoned land to enable more efficient service delivery.

In principle, BP Batam regulations (Perka BP Batam) provide detailed technical guidelines and possess strong legal legitimacy for regulating land utilization within the free trade zone. However, their implementation often conflicts with policies issued by the Batam Municipal Government, resulting in duplicative procedures that consume substantial time and resources. During the interview, Mr. Jontara noted that BP Batam has attempted to reduce information asymmetry through the “BP Batam Keliling” outreach program, which directly engages the public to explain the distinction between Land and Building Tax (PBB) and the Annual Mandatory Fee (UWT).

Addressing these issues requires practical and measurable policy actions. Both Mr. Arif Witoko and Mr. Jontara agreed that the establishment of a One Door Service Unit (ODSU) through a Memorandum of Understanding between BP Batam and the Batam Municipal Government is crucial to integrating the licensing process. Regulatory harmonization—particularly the standardization of documentary requirements and zoning maps—along with the development of a Batam-specific Online Single Submission (OSS) system that integrates real-time data from BP Batam, the Batam Municipal Government, and BPN, is expected to reduce the SHGB certification processing time from 180 days to approximately 90 days.

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Competing Interest

None.