LAND RIGHTS / AGRARIAN REFORM / RESOURCE GOVERNANCE

Beyond Land Ownership.

Indonesia's Agrarian Reform and the New Landscape of Land Governance

LAW NO. 10/2026 | IN FORCE

THE CENTRAL DISTINCTION

Agrarian reform extends beyond land redistribution. The new framework also addresses institutional authority, land-rights overlaps and the resolution of agrarian conflicts.

EFFECTIVE 30 SEPTEMBER 2026 | INDONESIA

GENERAL INFORMATION ONLY. NOT LEGAL, TAX OR OTHER PROFESSIONAL ADVICE.

A NEW GOVERNANCE BASELINE

02

Reform meets institutional authority.

Law No. 10/2026 creates a dedicated framework for agrarian reform, combining land governance, institutional coordination and conflict resolution.

STATUTORY STATUS

In force

30 September 2026

IMPLEMENTATION

One-year horizon

Implementing rules required (Art. 49)

01

Dedicated institution

An institution accountable to the President is assigned responsibility for planning, implementation, monitoring and evaluation of agrarian reform.

ARTICLES 10-14

02

Priority reform locations

Priority locations may include areas with land inequality, agrarian conflicts, abandoned land or excessive land concentration.

ARTICLE 16

RDJ ADVISORY PERSPECTIVE

Institutional design matters; its practical operation depends on implementing instruments.

INDUSTRY AND LAND-RIGHTS INTERFACE 03

Where land rights meet operations.

For land-intensive industries, the legal focus is not only the formal permit. Land status, community claims and administrative processes may intersect.

SECTOR LENS

Mining / Forestry / Plantation / Land-intensive business

Overlaps involving land titles, forest areas or business permits are among the circumstances addressed by the statute.

01

Conflicting land claims

Article 19 includes specified land overlaps involving community claims, land rights, forest areas and business permits among potential reform objects.

ARTICLE 19

02

Administrative authority

For agrarian-reform objects in conflict, the institution is empowered to suspend specified land, licensing or forest-related administrative processes. This is not a blanket suspension of permits.

ARTICLE 13(C)

IMPORTANT DISTINCTION

The law does not make all land rights or concessions automatically invalid.

LAND CONTROL AND CORPORATE GOVERNANCE 04

A broader corporate governance lens.

Three provisions merit attention across land-intensive operations. Each must be read within its statutory scope and implementation framework.

01 CORPORATE AND AFFILIATE LAND CONTROL

Limits and aggregation

Article 37 addresses minimum and maximum land-control limits, including aggregate holdings of businesses and affiliates. Detailed thresholds depend on further rules; specified state entities and cooperatives are excepted.

02 PLANTATION LAND RIGHTS

A sector-specific 20% rule

Article 48 concerns holders of HGU and plantation business permits, with a minimum 20% land-surrender requirement. Further provisions are to be set by Presidential Regulation; it should not be generalized to all mining permits.

03 TRANSITION AND CONTINUITY

Existing rules still matter

Articles 46 and 50 retain existing land, plantation, forestry, mining and related rules insofar as consistent with the new law. Article 51 specifies non-retroactivity for agrarian-reform implementation.

SOURCE NOTES: ARTICLES 37, 46, 48, 49-51

CLOSING PERSPECTIVE

Land certainty is a governance question.

The significance of agrarian reform lies in how land rights, regulatory coordination, institutional decisions and fair conflict resolution work in practice.

FOUR QUESTIONS FOR BUSINESS LEADERS

01

LAND STATUS

Are formal land rights, physical boundaries and community claims mapped consistently?

02

RESOURCE OPERATIONS

Could an identified agrarian conflict intersect with licences or land administration?

03

FAIR PROCESS

How will verification, third-party rights and dispute resolution be handled?

04

REGULATORY TRANSITION

Which implementing rules and institutional arrangements still need to be monitored?

RDJ ADVISORY PERSPECTIVE

Land governance should not be confused with an automatic change to tax treatment. Any tax implications require separate analysis under applicable tax rules.

PRIMARY SOURCE: LAW NO. 10/2026 | ARTICLES 13, 16, 19, 28-29, 37, 46, 48-51

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