

ABSTRACT

Execution auctions of the assets of debtor are often used by banks through the State Claim Affairs Committee and currently through the execution auction governed by Mortgage Act. In addition, auctions are also used by the court to execute the judge's decision on the debt repayment disputes. Problem arises when a debtor only owns a building constructed on the Building Rights Title to pay off the debts, and the Building Rights Title has been expired. According to the Agrarian Law, when a Building Rights Title is ceased, the land is returned to the state and state land should not be seized. The problem is the land has to be seized before the execution auction and there is no clear regulation to govern it.

The problem described above has been faced sometimes both by the courts and the State Claim Affairs Committee (SCAC), whose duty to collect the debt from debtor of government banks. If the seize and execution auction are conducted only to the building on the Building Rights Title, they will make many losses to the state in management of state claim as well as to the debtors themselves due to the low price of the asset in the execution auction.

The procedure of the execution auction of building on the expired Building Rights Title is conducted based on the procedure of common execution auction. A buyer in the auction can register the land under his/her name to the Land Registry Office by applying a new Building Rights Title and submitting the Auction Deed.

Keywords: Execution Auction of Building Rights Title.