

**LEGAL INTERPRETATION OF THE PHRASES
'RECOGNIZED' AND 'ADJUSTED' IN THE TRANSITIONAL
PROVISIONS OF HYPOTHEEK AND CREDIET VERBAND
RELATED TO SECURITY RIGHTS: A STUDY ON THE
HARMONIZATION OF COLONIAL AND NATIONAL LAND
SECURITY SYSTEMS**

**INTERPRETAÇÃO JURÍDICA DAS EXPRESSÕES 'RECONHECIDO' E
'AJUSTADO' NAS DISPOSIÇÕES TRANSITÓRIAS DE HYPOTHEEK E CREDIT
VERBAND RELATIVAS AOS DIREITOS DE GARANTIA: UM ESTUDO SOBRE A
HARMONIZAÇÃO DOS SISTEMAS DE SEGURANÇA TERRITORIAL COLONIAL
E NACIONAL**

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ABSTRACT

This study aims to examine in depth the realization of the principle of legal certainty in the execution of material guarantees in the form of Mortgage and Crediet Verband on land and buildings after the enactment of Law No. 4 of 1996 on Mortgage (UUHT). The main focus of this study is the interpretation of the phrases “recognized” and “adjusted” in Article 24 paragraphs (1) and (2) of the UUHT, which have created legal issues due to the vagueness of the norm. This research employs

a normative juridical and philosophical approach, analyzing the legal norms from ontological, epistemological, and axiological perspectives. The findings show that the lack of clarity regarding the norms of recognition and adjustment of old rights to the Mortgage system results in legal uncertainty in the execution practice by the security holders, especially banking institutions. This leads to difficulties in consistent implementation in legal practice, which risks undermining trust in the legal system in Indonesia. Therefore, this study recommends the need for clearer legal interpretation or norm reformulation to ensure legal certainty, justice, and effective legal protection for all involved parties, both creditors and debtors. This reformulation would strengthen the continuity of UUHT implementation and reduce uncertainties that could affect the effectiveness of the material guarantee law in Indonesia.

Keywords: Mortgage Rights. Hypotheek. Legal Certainty. Execution.

RESUMO

Este estudo visa examinar em profundidade a concretização do princípio da segurança jurídica na execução de garantias materiais na forma de Hipoteca e Crediet Verband sobre terrenos e edifícios após a promulgação da Lei nº 4 de 1996 sobre Hipoteca (UUHT). O foco principal deste estudo é a interpretação das frases “reconhecido” e “ajustado” no Artigo 24, parágrafos (1) e (2) da UUHT, que criaram questões jurídicas devido à imprecisão da norma. Esta pesquisa emprega uma abordagem jurídica e filosófica normativa, analisando as normas jurídicas sob perspectivas ontológicas, epistemológicas e axiológicas. Os resultados mostram que a falta de clareza quanto às normas de reconhecimento e ajustamento de direitos antigos ao sistema hipotecário resulta em incerteza jurídica na prática de execução pelos detentores de títulos, especialmente instituições bancárias. Isso leva a dificuldades na implementação consistente na prática jurídica, o que corre o risco de minar a confiança no sistema jurídico na Indonésia. Portanto, este estudo recomenda a necessidade de uma interpretação jurídica mais clara ou de uma reformulação normativa para garantir segurança jurídica, justiça e proteção jurídica efetiva para todas as partes envolvidas, tanto credores quanto devedores. Essa reformulação fortaleceria a continuidade da implementação do UUHT e reduziria as incertezas que poderiam afetar a eficácia da lei de garantias materiais na Indonésia.

Palavras-chave: Direitos Hipotecários. Hipoteca. Segurança Jurídica. Execução.

I. PROBLEMS OF LEGAL INTERPRETATION OF THE PHRASES “RECOGNIZED” AND “ADJUSTED”

Law No. 4 of 1996 concerning Mortgage Rights over Land and Objects Related to Land (UUHT) represents a critical milestone in strengthening Indonesia's national system of proprietary security rights (Renee, 2021). This legislation was enacted in response to the mandate of Article 51 of the 1960 Basic Agrarian Law (UUPA), which called for the establishment of a land security rights system aligned with the principles of national law. One of the key reforms introduced by UUHT was the replacement of two colonial-era proprietary security systems—Hypothek and Crediet Verband — with a unified system known as Mortgage Right (Mortgage Right), which serves as the sole legal instrument for securing land and related objects (Hardwianto & Khisni, 2018).

However, during the transitional phase, Article 24 of the UUHT includes a provision that maintains the legal recognition of rights established under the old systems, stipulating that such rights shall be “recognized” and may be “adjusted” to comply with the provisions of the new law. Specifically, Article 24 (1) states that proprietary security rights established prior to the enactment of UUHT are “recognized” as Mortgage Right, while paragraph (2) notes that, pending “adjustment” to the certificate format stipulated under Article 14, execution shall continue to follow prior regulations.

Problems arise due to the lack of explicit definitions of the terms “recognized” and “adjusted,” neither in the UUHT itself nor in its official explanatory notes or linguistic sources such as the Kamus Besar Bahasa Indonesia (KBBI). A textual and contextual investigation reveals that both the law and the dictionary fail to provide precise legal meanings of these terms, resulting in what can be characterized as vague norms that hinder consistent application (Siregar & SS, 2025).

This vagueness has practical implications, especially in the execution of proprietary security rights previously tied to Hypothek or Crediet Verband (ENDAYANI, 2025). In situations where such collateral is subject to enforcement after the enactment of the UUHT, legal ambiguity emerges: should the execution follow the new Mortgage Right procedures, or continue under preexisting colonial regulations such as the Reglement op de Rechtsvordering (Rv) and the 1908 Governor General's Decree (Hasyim, 2021). Diverging interpretations on this matter may undermine legal certainty, particularly for creditors such as financial institutions that rely heavily on the enforceability of collateral for debt recovery.

Ontologically, the issue strikes at the core of proprietary security rights, which are meant to provide creditors with strong, enforceable claims over specified collateral (Ramadita & Aristya Windiana Pamuncak, 2021). When enforcement is impeded by normative vagueness, the principle of legal certainty, a cornerstone of any legal system, is compromised. The lack of clarity regarding the legal status of

legacy security instruments post-UUHT creates uncertainty that affects confidence in the national credit system.

Epistemologically, the wording of Article 24 fails to produce interpretive uniformity across legal practitioners, including notaries, land deed officials (PPAT), bankers, and judges. Although the UUHT formally replaces the colonial systems, it continues to acknowledge their existence without clearly eliminating them. This suggests an element of legal continuity between the old and new regimes, but without sufficient procedural or administrative specificity (Naini *et al.*, 2022). A deeper epistemological inquiry is therefore needed to analyze how legal knowledge and constructs are shaped and transmitted in this transitional context.

From an axiological standpoint, the legal uncertainty surrounding the implementation of Article 24 poses material risks, particularly for financial institutions that depend on the validity of security rights in granting loans (Abdat & Wahyuningsih, 2024). Prudential banking principles require legal certainty in all financing components, including the binding and enforcement of collateral (Hardianysah, 2022). Vagueness in the law undermines legal effectiveness and the sense of justice for parties relying on the reliable execution of secured transactions.

In practice, many security agreements made before 1996 remain unconverted into Mortgage Right certificates as required by Article 14 of the UUHT (Sitompul *et al.*, 2022). The absence of binding provisions or deadlines for this adjustment has led to inconsistent implementation across jurisdictions (Jannah & Badriyah, 2023). In some cases, courts have upheld execution based on previous regulations, while in others, they have insisted on conformity with the UUHT. This inconsistency demonstrates that the UUHT has not yet fulfilled its role as a definitive legal norm for securing proprietary interests.

This study aims to comprehensively examine the precise legal meaning of the terms “recognized” and “adjusted” as articulated in Article 24 (1) and (2) of the UUHT. These two phrases are central to ongoing legal debates because their meanings are not clearly defined either normatively within the statute or semantically in linguistic references such as the KBBI. Accordingly, this research seeks to explore both the conceptual and contextual dimensions of these terms to arrive at an interpretation that reflects the legislative intent and overarching legal objectives.

Furthermore, the research will assess how enforcement of proprietary security rights established under Hypotheek and Crediet Verband systems has been implemented since the UUHT came into force. It will evaluate whether existing practices demonstrate effective and efficient legal application, and whether any legal impediments have arisen due to normative ambiguity in the transitional provisions.

In line with the principle of legal certainty, this study also critically examines the regulation of *parate executie* (non-judicial foreclosure) within the framework of Mortgage Right. This inquiry is vital to ensure that enforcement mechanisms for secured transactions not only function efficiently but also offer optimal legal pro-

tection to holders of mortgage rights, particularly creditors and financial institutions. The study aims to propose a refined understanding and, if necessary, a reformulation or reinterpretation of the law to resolve these ambiguities and enhance the adaptability of the UUHT to Indonesia's evolving legal landscape.

The novelty of this study lies in two key areas. First, it focuses specifically on the phrases "recognized" and "adjusted" in Article 24 of the UUHT terms that have often been mentioned in passing but rarely subjected to in-depth semantic, legal-linguistic, or practical analysis (Rumengan, 2021). Second, the research employs an integrative approach, combining positive legal theory with legal philosophy to offer a multi-perspective reading of this complex normative issue that directly affects the enforceability of security rights (Syamra, 2024). By adopting this approach, the study aims not only to contribute to academic discourse on Indonesia's proprietary security regime but also to offer concrete recommendations for improving the legal norms governing the transition from Hypotheek and Crediet Verband to Mortgage Right. The goal is to ensure a more coherent, equitable, and effective legal framework that supports both creditor interests and broader principles of legal justice and certainty.

2. RESEARCH METHODS IN THE LEGAL INTERPRETATION OF THE PHRASES 'RECOGNIZED' AND 'ADJUSTED'

This study employs a normative juridical approach, commonly understood as a legal research method that relies on the analysis of primary and secondary legal materials in a doctrinal manner (Zainuddin & Karina, 2023). The core emphasis of this approach lies in a comprehensive literature review of statutory regulations, legal literature, scholarly doctrines, and relevant court decisions (Sujarweni, 2014, 19).

In the context of this study, particular focus is placed on the interpretation of Article 24 paragraphs (1) and (2) of Law Number 4 of 1996 concerning Mortgage Rights on Land and Objects Related to Land (UUHT), with special attention to the phrases "recognized" (*diakui*) and "adjusted" (*disesuaikan*), which form part of the transitional norms in the harmonization process between the previous legal systems (namely Hypotheek and Crediet Verband) and the current legal regime of mortgage rights established by the enactment of the UUHT.

This approach aims to identify, interpret, and evaluate the legal provisions in question, not only within the framework of positive law but also in the broader context of fundamental legal principles, such as the principles of legal certainty, legal protection, and justice (Erwinsyahbana & Ramlan, 2017). These principles serve as key benchmarks for assessing the extent to which the transitional norms contained

in Article 24 of the UUHT are capable of establishing a continuous legal order and effectively bridging the legal transition from the former to the current regime.

To obtain a comprehensive and in-depth understanding of the legal norms under study, this research also applies layered methods of legal interpretation, which include: (1) grammatical interpretation, based on language and sentence structure; (2) systematic interpretation, based on the interrelation of norms within the legal system; (3) historical interpretation, based on the background and historical context of the norm's formation; and (4) teleological interpretation, based on the objectives that the legal norm intends to achieve (Juanda, 2017). These interpretive methods are used integratively to uncover the substantive meaning of the key phrases under analysis and to understand their position within the national legal structure in terms of validity, applicability, and implementation (Khasanah & Lumbanraja, 2022).

Furthermore, to strengthen the reflective and philosophical dimensions of the analysis, this study also incorporates a philosophical approach (Yahya, 2023). This approach is essential for exploring the deeper meaning of legal norms by examining them through three key dimensions: (1) the ontological aspect, which addresses the nature and fundamental reasons for the existence of transitional legal norms within the national legal system; (2) the epistemological aspect, which investigates the processes through which legal knowledge regarding these norms is constructed, including how the norms are interpreted and developed by legal scholars and practitioners; and (3) the axiological aspect, which explores the values intended to be realized through the transitional norms, such as substantive justice for parties subject to the security systems both before and after the enactment of the UUHT (Mulyana, 2020).

By integrating normative juridical and philosophical approaches, this research seeks not only to resolve dogmatic issues within positive law but also to explore deeper layers of meaning related to the dynamics of legal transition in the context of Indonesia's legal history, legal politics, and doctrinal development. The findings of this study are expected to contribute theoretically to the advancement of legal science, particularly in the field of property security law, and practically to the process of legal harmonization that upholds the principles of justice and legal certainty.

3. LEGAL INTERPRETATION OF THE PHRASES 'RECOGNIZED' AND 'ADJUSTED' IN MORTGAGE AND CREDIT TRANSFER PROVISIONS: HARMONIZING COLONIAL AND NATIONAL LAND SECURITY SYSTEMS

This study yields a significant finding that the phrase "recognized" in Article 24(1) of Law Number 4 of 1996 concerning Mortgage Rights over Land and Objects Related to Land (UUHT) normatively constitutes a legal acknowledgment

of the existence of proprietary security rights that predated the enactment of the UUHT—specifically, the security systems known as Hypotheek and Crediet Verband. These two forms of security are legacies of the Dutch colonial legal system and were previously employed as instruments to encumber land and buildings as debt collateral.

The legal recognition of these pre-existing security rights reflects the principle of legal continuity within Indonesia's legal system. This principle underscores that a newly established legal regime does not automatically invalidate pre-existing legal institutions but instead accommodates them within certain limits to maintain legal stability, guarantee legal certainty, and preserve ongoing legal relationships. Within the context of Article 24(1) UUHT, the provision aims to ensure that rights established under the former system continue to have legal legitimacy and remain enforceable, at least until they are converted or adjusted by transitional provisions.

However, normative analysis reveals that the provision lacks accompanying technical or procedural regulations detailing how such recognition should be implemented in practice. There are no administrative guidelines, standard forms, re-registration systems, or verification mechanisms that legal practitioners can rely upon to formally and lawfully execute the recognition of Hypotheek and Crediet Verband. This regulatory vacuum presents a problem in terms of operationalizing the norm, as legal actors such as notaries, land registration officials, and financial institutions are left without definitive guidance for executing or administering these normatively recognized security rights.

The absence of implementing regulations renders the recognition provision in Article 24(1) merely declaratory; it states that Hypotheek and Crediet Verband continue to be recognized, but it fails to provide the necessary legal instruments to ensure that such recognition can be lawfully and judicially enforced. This shortcoming undermines the norm's effectiveness and contradicts the fundamental principle of regulation formation, namely normative completeness and legal enforceability. As emphasized by Satjipto Rahardjo, the law must not only exist in text but must also function in reality to provide tangible benefits to legal subjects (S. Rahardjo, 2006, 52).

The lack of implementing regulations may lead to legal uncertainty (*rechtsonzekerheid*), especially concerning the execution or evidentiary validation of such legacy security rights in the current legal system (Radbruch, 2006). If an old security right is to be enforced or submitted for re-registration, the absence of procedural standards may result in interpretive discrepancies and legal ambiguities among officials, thereby increasing the risk of disputes. According to Gustav Radbruch's theory of legal certainty, good law must not only be just but also predictable and consistently enforceable. In this context, the recognition norm in Article 24(1) UUHT fails to reflect these principles due to its ambiguity and lack of adequate implementation tools.

The findings of this study emphasize the urgent need for the formulation of implementing regulations by relevant authorities, such as the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency. Such regulations should technically govern the mechanisms, requirements, documentation, and administrative procedures for recognizing Hypotheek and Crediet Verband. Without such clarity, the recognition intended by the UUHT risks becoming an inoperable legal norm (*lex imperfecta*), ultimately diminishing the effectiveness and legitimacy of Indonesia's secured transactions framework (Firmando, 2021). Meanwhile, the phrase "adjusted" in Article 24(2) of the UUHT entails a transformative legal consequence for proprietary security rights previously governed by colonial legal systems, such as Hypotheek under the *Burgerlijk Wetboek voor Indonesië* (BW) and Crediet Verband under the *Reglement op het Beheer der Staatsspoorwegen*. This provision reflects the national legislature's intent to unify and codify the law of secured transactions by integrating legacy security rights into the new legal framework established under the UUHT.

Normatively, the use of the term "adjusted" implies that the form and legal status of the old security rights cannot merely be recognized; they must also be converted or restructured to align with the prevailing national legal framework. Such conversion presupposes the existence of a clear transitional mechanism in procedural, administrative, and substantive aspects.

However, doctrinal and normative legal analysis indicates a lack of adequate elaboration regarding how this adjustment process is to be carried out. There are no derivative regulations specifying: (1) the authority responsible for effectuating the adjustment; (2) the types of legal documents required; (3) the formal procedures to be followed; and (4) any time limits governing the adjustment process.

The absence of implementing legal instruments has created a legal vacuum, which directly impacts legal certainty in practice. For instance, in the execution of legacy security rights, questions frequently arise regarding the validity of older documents such as *hypotheek* deeds or *crediet verband* deeds, particularly when they have not yet been converted into the format prescribed for Mortgage Right (security rights) deeds.

Due to the absence of a formally regulated conversion procedure, implementing authorities such as land offices or courts often rely on their own interpretations, which may vary. This situation results in legal uncertainty (*rechtsonzekerheid*), which contradicts the principle of legal certainty as enshrined in Article 28D paragraph (1) of the 1945 Constitution and is further reinforced by Gustav Radbruch's legal theory, which identifies *rechtssicherheit* (legal certainty) as one of the fundamental values in a state governed by the rule of Law (Nahak, 2023).

An epistemological perspective, the provision stating that such rights must be "adjusted" stands merely as a declarative norm lacking procedural or administrative foundations that would otherwise constitute a coherent legal knowledge fra-

mework. This norm fails to provide answers to fundamental questions concerning how and when the transformation is legally deemed valid. According to Hans Kelsen's theory of law, legal norms must be structured hierarchically and mutually justify one another within the *Stufenbau des Rechts* framework. Article 24(2) does not fulfill this structure, as it is not supported by technical and implementative subordinate norms (Mulyana, 2020).

From an axiological standpoint, the law's purpose to ensure legal protection for creditors and debtors through a reliable and enforceable security system is not achieved (Salam, 2019). The ambiguity surrounding the adjustment process opens up opportunities for misuse, document manipulation, and even agrarian conflicts, especially when legacy security rights are still used without clear legal status under the current legal system (Yudhanegara *et al.*, 2024, 76).

Consequently, this research emphasizes the urgency of formulating technical implementing regulations, whether in the form of government regulations, ministerial regulations, or internal regulations issued by the National Land Agency (BPN), to govern the mechanism for converting legacy security rights into the Mortgage Right system (Yudhanegara *et al.*, 2024). These regulations should outline the responsible authorities, administrative procedures, adjustment documentation formats, and implementation deadlines to realize legal certainty and protection in the context of agrarian reform and the national legal system.

Ontologically, the findings of this study indicate that the existence of legacy security rights such as *Hypotheek* and *Crediet Verband* remains normatively recognized within Indonesia's positive legal system. This is explicitly reflected in Article 24 of the Law on Security Rights (UUHT), which acknowledges these rights and stipulates their adjustment to conform to the new legal framework. This recognition reflects the legislature's intent to preserve legal continuity during the transition from colonial legal systems to a more structured and codified national legal order.

Ontologically, the term "recognized" in the article constitutes an affirmation that the older norms, despite originating from colonial legal frameworks such as the *Burgerlijk Wetboek* and *Reglement op het Beheer der Staatsspoorwegen*, still possess legal existence (legal being) within the national legal order (Yuherawan, 2012). In other words, such existence is not immediately nullified, but rather legally maintained in Indonesia's positive law, insofar as it has not been explicitly amended or replaced by new legislation. This approach aligns with the principle of *lex posterior derogat legi priori*; yet, in a transitional legal context, such recognition is crucial to avoid legal vacuums (*rechtsvacuum*) and ensure protection of pre-existing legal interests (Ali, 2016).

This study also finds that the ontological recognition of legacy security rights is only partial. Although textual or declarative recognition is given in statutory norms, this is not accompanied by the provision of supporting legal instruments necessary to ensure their practical existence. There is no implementing regulation (in

the form of Government or Ministerial Regulations), administrative standard, or interpretive guideline available for stakeholders such as notaries, land officials, or financial institutions to operationalize such recognition. As a result, this recognition loses its practical meaning because it cannot be consistently and legitimately applied in day-to-day legal processes.

This condition reveals a dualism in legal reality: on the one hand, there is a normatively recognized legal existence; on the other, such existence lacks functional guarantees in practice. This indicates that the transitional norm in Article 24 of the UUHT has not yet established a complete legal being meaning a legal existence that is not only normatively acknowledged but also functionally sustained within the new legal system. This phenomenon illustrates the gap between *das Sein* (what is) and *das Sollen* (what ought to be). Ontologically, the law should not merely serve as a symbol of recognition for legacy legal institutions but must also provide the structural support necessary to enable such institutions to function legally, effectively, and purposefully. The absence of such implementing instruments risks generating legal uncertainty, confusing legal actors, and rendering the norm unresponsive to the dynamic social reality.

Ontologically, Article 24 of the UUHT affirms the existential recognition of legacy security rights but has yet to fulfill the conditions of an ontologically complete legal norm (Nugrohandini & Mulyati, 2019). To achieve ontological completeness, further legislative steps are required to create a functional and implementable legal existence within the national legal system. From an epistemological standpoint, the main issue that arises is the incompleteness in the legal knowledge framework regarding the transformation from legacy security systems to the Mortgage Right system governed by the UUHT (Safitri *et al.*, 2024).

While Article 24 functions as a declarative norm acknowledging the existence of legacy security rights and directing their adjustment to the Mortgage Right system, it fails to provide an adequate explanation of the technical processes necessary for implementing such a change. In other words, Article 24 addresses the normative aspect without delivering a comprehensive legal knowledge structure necessary to guide its practical application.

This epistemic void manifests in the lack of clarity regarding the adjustment mechanisms that must be undertaken, whether in terms of administrative procedures, required documentation, or steps to be followed by stakeholders such as notaries, land officials, and financial institutions. The absence of implementing norms or subordinate regulations specifying these technical steps results in disjointed and unstructured legal understanding among practitioners. In legal knowledge construction theory, there should ideally be a hierarchical and systematic relationship between the *grundnorm* (basic norm), general legal norms, and implementing norms to produce a coherent and consistent legal knowledge structure. In this case, the ideal

structure—where a basic norm stipulated in law is translated into technical and applicable implementing regulations—has yet to materialize.

As such, the gap between the abstract legal norm (as found in Article 24) and its practical application by legal practitioners remains unresolved. In this scenario, law enforcement officers, notaries, land officials, and financial institutions involved in managing security rights are left without clear operational guidelines, leading to multiple interpretations and inconsistent applications of the existing norm. These varying interpretations heighten the risk of non-uniform, even contradictory practices between different institutions. For example, notaries or land officials may interpret that unadjusted security rights are invalid or unenforceable, while financial institutions may regard them as still valid, provided there is legally sound agreement documentation. Such inconsistencies not only confuse stakeholders but also undermine the coherence of the national legal system, which should ideally ensure legal certainty and protection for all parties involved.

This epistemic gap underscores the importance of developing concrete and detailed implementing norms. Without clear regulations providing technical guidance on how the conversion or adjustment process should be carried out, the legal knowledge of practitioners remains fragmented and unsystematic. Consequently, the sustainability of the security rights system under the new legal regime—i.e., the Mortgage Right system—will face significant implementation barriers. The incompleteness of this legal knowledge structure creates an epistemic void that increases the potential for misinterpretation and legal uncertainty among stakeholders. Therefore, the formulation of implementing regulations that clearly govern the conversion of legacy security rights into the Mortgage Right system is of utmost urgency. Without such regulations, the objective of realizing a consistent and reliable legal system will be difficult to achieve.

In the axiological perspective, legal norms ideally serve to achieve the values of justice, legal certainty, and utility (Lalu, 2025). However, this finding shows that these goals are not optimally achieved. The ambiguity of the norms regarding the process of adjusting old collateral causes legal uncertainty (*rechtsonzekerheid*), especially for creditors and debtors involved in legal relationships based on old material guarantees. In practice, many financial institutions are reluctant to accept collateral objects still bound by the Hypotheek or Crediet Verband schemes due to their unclear legal status or perceived high risk. This ultimately impacts credit accessibility and the stability of financing transactions, which should be protected by the principle of legal certainty.

From an axiological standpoint, the transitional norm in Article 24 of the Mortgage Law (UUHT) reflects a failure to achieve the legal objectives as formulated by both classical and contemporary legal philosophers (Amnan, 2022). Legal goals generally encompass three main elements: justice, legal certainty, and utility, which are explicitly formulated by Gustav Radbruch in the Radbruch Formula as the fun-

damental value framework within a democratic legal system. In this context, Article 24 of the UUHT, in normative terms, indeed contains good intentions to ensure legal continuity and encourage the integration of colonial material guarantee systems into the national legal framework (Alexy, 2021). However, these axiological values are not optimally reflected in their implementation.

The principle of legal certainty (*rechtssicherheit*), which should guarantee that legal norms can be understood, applied, and predicted by legal subjects, becomes obscured due to the multiple interpretations of the terms “recognized” and “adjusted” in this article (Marbun *et al.*, 2023). The ambiguity regarding the form of recognition and the adjustment mechanism has led to conflicting interpretations among legal practitioners, such as notaries, land officers, financial institutions, and law enforcement. In practice, this has opened the door to recurring legal disputes, both in the form of breach of contract lawsuits and opposition to the execution of collateral, as the legal status of the old guarantee is considered uncertain or even invalid by some parties. From the standpoint of legal protection, this provision also does not provide adequate assurance to creditors (Tahir, 2023).

Creditors, who in principle are the parties that must be assured of the executability of collateral objects, become vulnerable to legal objections when the collateral provided by the debtor is still under the old legal regime that has not been converted into the Mortgage Law system. When execution is brought before the court or auction officials, the absence of administrative and juridical provisions explaining the formal status of the old collateral can become a barrier or even grounds for rejection of the execution. As a result, the legal position of creditors becomes weak, and the civil relationship is not optimally protected.

Another axiological impact is the disruption of the national financing system's stability. In a modern economic system, the existence of legally valid and executable material guarantees is a key element in supporting creditor trust and the effectiveness of financial institutions. When legal norms do not ensure the clarity and applicability of guarantees effectively, this trust will diminish, resulting in a decline in the volume of productive financing, which in the long term can hinder national economic growth. This emphasizes the view of Philippe Nonet and Philip Selznick in *Law and Society in Transition* that law, which fails to meet substantive values, will lose its social legitimacy.

Axiologically, Article 24 of the UUHT has not succeeded in performing its function as a transitional norm that can bridge the old legal system with the new legal system in a just, certain, and beneficial manner. Therefore, there is an urgent need to develop implement regulations (*regeling pelengkap*) that explicitly explain the recognition and adjustment mechanisms, including procedural, administrative aspects, and time limits for implementation. These regulations are necessary to fill the existing legal vacuum (*rechtsvacuum*) and to create laws that are not only formally valid but also effective in practical terms.

In the framework of legal philosophy proposed by Gustav Radbruch, a good law is one that embodies three main values: justice (*gerechtigkeit*), legal certainty (*rechtssicherheit*), and utility (*zweckmäßigkeit*). When legal norms emphasize normative recognition without being balanced by implementation certainty, an imbalance occurs between these values. The law loses its regulatory power and tends to be merely symbolic. This underscores the necessity of creating clear and applicable legal instruments to realize laws that not only exist but also function justly and effectively. Thus, the normative legal approach combined with a philosophical approach in this study leads to an important conclusion that legal transformation is not sufficient when done declaratively at the statutory level but must be supported by a complete and comprehensive legal structure to operate justly and consistently within the framework of a democratic rule of law that guarantees the protection of citizens' rights.

Through the application of grammatical, systematic, historical, and teleological legal interpretation methods, it can be concluded that the provisions of Article 24 of the UUHT have fundamental weaknesses in normative clarity and regulatory enforceability (Maeda & Hamzani, 2023, 38). This article states that existing material guarantees, such as Hypotheek and Crediet Verband, remain recognized and must be adjusted to the Mortgage Law system. However, while it provides an important normative basis, this provision is not complemented by further regulations, such as implementing regulations or ministerial regulations, which could provide clear technical explanations regarding the recognition and adjustment process (F. M. Rahardjo & Astutik, 2023).

From a grammatical perspective, the wording of Article 24 mentions recognition and adjustment, but these terms are not further explained regarding the concrete mechanisms or administrative procedures that must be followed by stakeholders. A systematic interpretation also shows that Article 24 does not connect the norm in this provision with the expected implementing regulations that could provide further details on the technical execution methods. In this regard, the absence of further instructions on how the conversion or adjustment process should be carried out adds to the uncertainty in legal practice (Andriyani & Alamudi, 2022).

Historically, although efforts have been made to integrate the old guarantee system into the national legal framework through codification in the UUHT, there is no sufficient regulation that details how this legal change should be applied (SWASTI, 2022). A teleological interpretation also highlights the mismatch between the legal goal of providing legal certainty for creditors and debtors and the reality that this norm cannot be implemented without implementing regulations that clarify the transition mechanism.

Therefore, while the UUHT aims to create a more transparent and secure system of material guarantees, the lack of clear implementing norms has become an obstacle in its implementation. In normative terms, this lack of normati-

ve completeness reflects a legal gap that could disadvantage the parties involved. Normative completeness should be created when basic norms (such as those in the UUHT) are not only recognized but also complemented by instruments that allow practical implementation. Without implementing regulations that govern the recognition and adjustment procedures, the legal system becomes less operational and vulnerable to legal uncertainty that can lead to misinterpretation by various involved parties.

Overall, the provisions of Article 24 of the Mortgage Law (UUHT) require improvement in the form of implementing regulations that govern the technical implementation of the recognition and adjustment of old material guarantees. Without these, the norm in Article 24 will remain a declarative norm that cannot function optimally in providing the legal certainty and protection desired. Therefore, this research recommends the formation of implementing regulations or technical provisions that should be issued by the relevant authorities, such as the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency, to fill the current legal vacuum (*rechtvacuum*) related to the implementation of Article 24 of the UUHT.

This legal vacuum arises due to the lack of clarity regarding the concrete mechanisms that must be applied to convert old material guarantees, such as *Hypotheek* and *Crediet Verband*, into the mortgage system regulated by the UUHT. The implementing regulations should include clear and detailed administrative procedures regarding all aspects related to the conversion process of such guarantees. This includes various aspects, such as:

- The mechanism for the re-registration of old guarantees that have been adjusted to the mortgage system includes the administrative processes that must be followed by relevant parties, such as notaries, land officers, and financial institutions.
- The form of documents that must be provided in the conversion process, including original documents and certified copies, as well as the legalization or verification procedures that need to be undertaken.
- The timeline for completing the conversion of guarantees to ensure that the process can be completed within a reasonable timeframe and does not hinder the stakeholders involved.
- The authority of the officials involved in the process, such as land officers, notaries, and other relevant institutions, so that each stage can be carried out clearly according to the established authority.

Without clear and technical implementing regulations, the transitional norm contained in Article 24 of the UUHT risks remaining a *lex imperfecta* norm, a legal norm that cannot be effectively enforced due to the absence of adequate implementing instruments. A *lex imperfecta* norm refers to a legal norm that cannot be fully operationalized in practice because of a lack of implementing provisions or regulations that detail how the norm should be applied. This can potentially lead

to prolonged legal uncertainty and reduce the effectiveness of the UUHT as a legal tool capable of providing certainty and protection for creditors, debtors, and other parties involved in collateral transactions.

The existence of adequate implementing regulations is expected to allow the norm in Article 24 of the UUHT to function optimally, providing legal certainty and reducing the potential for conflicts and misinterpretations during implementation. The parties involved will have a clear guide to implement the transition process of this collateral system, thereby creating a more transparent and efficient legal system that provides legal assurance for transactions involving material guarantees (Gusriadi & El Rahman, 2021). Therefore, the urgency of normative renewal through the implementation of regulations is key to strengthening the effectiveness of Article 24 of the UUHT and creating a material guarantee legal system that is not only formally valid but also substantively and justly effective in practice. Without clear and detailed normative renewal through implementing regulations, the provisions of Article 24 of the UUHT risk becoming inoperational and remain only as declarative norms that cannot be consistently implemented.

These implementing regulations will not only provide legal certainty for the parties involved, such as creditors, debtors, notaries, and financial institutions, but will also ensure that the transition from the old collateral system (Hypotheek and Crediet Verband) to the Mortgage Law system can proceed smoothly and by the desired legal objectives (Marčetić *et al.*, 2025). With clear procedures, standardized documents, and transparent mechanisms, the potential for conflicts and legal uncertainties can be minimized, which will, in turn, reduce the risk of disputes and strengthen trust in the collateral system in Indonesia.

Moreover, the aspect of justice in the application of the UUHT will also be more guaranteed, as stakeholders will be able to clearly understand their rights and obligations in carrying out the conversion of collateral. Overall, normative renewal complemented by comprehensive implementing regulations will form a more flexible, efficient, and just legal system that will ultimately create greater trust and legal certainty for society and the business aspects.

4. CONCLUSION OF LEGAL INTERPRETATION AS A FORM OF HARMONIZATION IN A REGULATION

This study shows that Article 24 of the Mortgage Law (UUHT) contains the phrases "recognized" and "adjusted," which normatively provide recognition for old material guarantees (Hypotheek and Crediet Verband) and mandate their conversion into the Mortgage system. However, this provision is not supported by adequate implementing regulations, leading to a legal vacuum (*rechtvacuum*) that hampers effective implementation. The lack of clarity regarding administrative procedures, required documents, and the authority of relevant parties creates le-

gal uncertainty, potentially resulting in inconsistent practices and undermining the consistency of the legal system.

Ontologically, while the existence of old material guarantees is acknowledged, this recognition is partial and lacks adequate legal support. Epistemologically, the legal knowledge construction concerning the conversion of material guarantees is incomplete, as no implementing norm connects the basic norm to concrete implementation. Axiologically, the transitional norm in Article 24 of the UUHT fails to achieve its fundamental legal objectives: legal certainty, protection for creditors and debtors, and justice in the practice of material guarantees.

Therefore, normative renewal through implementing regulations that detail the conversion process, re-registration, and administrative procedures is crucial to creating a legal system that is not only formally valid but also effective, just, and sustainable. Without this renewal, Article 24 of the UUHT risks becoming a *lex imperfecta* that cannot be optimally applied. The urgency of this normative renewal will ensure that the transitional norms in the UUHT can be applied consistently and provide tangible legal benefits for all parties involved in material guarantee transactions in Indonesia.

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