

## CUSTOMARY COMMUNITARIANISM VERSUS COMMERCIALISM: DISPUTE RESOLUTION ON BALINESE CUSTOMARY LAND

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### Abstract

This study aims to analyze the legal status of shophouse buildings on Village Courtyard Land (*Tanah Pekarangan Desa*/PKD land) as objects of sale and purchase, and examines the most effective dispute resolution mechanism for disputes arising from underhanded debt agreements in Tegallalang Customary Village, Gianyar Regency, Bali. Indonesia, as a rule-of-law state, guarantees legal certainty over property rights, including rights over land and buildings. Legal complexity arises when transactions involve shophouse buildings on PKD not yet been separated from their parent certificate. PKD land constitutes communal customary land (*druwen desa adat*) governed by Balinese customary law (*awig-awig*) and prohibited from free commercial transactions under Minister of Home Affairs Regulation Number 4 of 2007. An empirical legal research approach was employed through in-depth interviews, field observation, and legal document analysis. Findings indicate that shophouse buildings on PKD land constitute private property of the occupying krama desa, horizontally separated from the communal land, rendering transactions valid only to the extent of the building's physical value and right of use. Every transfer requires customary village approval through the paruman mechanism under *Awig-awig Pawos* 28 paragraph (5). Disputes from underhanded agreements contain defects of consent (*wilsgebreken*) through abuse of circumstances (*misbruik van omstandigheden*), making them subject to cancellation (*vernietigbaar*). Mediation through Kertha Desa applying *parasparos* and restorative justice principles is the preferred resolution, with District Court litigation as a last resort. This study fills the legal gap (*rechtsvacuum*) on commercial building

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transactions over communal customary land in Bali through an integrated customary and civil law framework.

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## Introduction

As a country based on the rule of law, every action taken by state officials and citizens in Indonesia must comply with applicable laws and regulations, especially those that regulate Public Information Disclosure regulated in Law Number 14 of 2008, so that there is an obligation for government officials to provide public access to information, except for confidential data (Seelakate & Novian, 2025). In this context, legal certainty on land and building ownership rights is one of the fundamental pillars that must be guaranteed by the state. This legal certainty faces several challenges, such as negative publication systems (Wiryawan et al., 2025), jurisdictional conflicts (Yuherman et al., 2025), and the rights of Indigenous peoples and local communities (Zahwa Octavia et al., 2025). Ultimately, the government needs to create justice, inclusivity, and community welfare sustainably.

Law Number 5 of 1960 concerning Peraturan Dasar Pokok-Pokok Agraria (UUPA) principles recognizes the principle of horizontal separation from customary law and communal land rights (customary rights). This creates legal uncertainty, as happened with Village Yard Land (PKD). PKD land is a form of communal customary land known in Balinese customary law as *druwen desa adat* (belonging to the customary village), which is given to village members (*krama desa*) for residential use on the condition that they fulfill customary obligations (*ayahan*), and is not intended for free commercial transactions. The Minister of Home Affairs Regulation Number 4 of 2007 explicitly prohibits the sale and purchase of village land, except for public interest purposes. The management of PKD land is strictly governed by customary law (*awig-awig*) and customary village institutions that are constitutionally recognized under Article 18B paragraph (2) of the 1945 Constitution, and further regulated by Bali Provincial Regulation Number 4 of 2019 on Customary Villages in Bali. In this context, legal complexity further increases when the object of the transaction is not the land itself, but a building, in this case, a shophouse (*rumah toko*) erected on PKD land that has not yet been legally separated from its parent certificate.

Previous studies have examined issues related to communal land rights and customary land from the perspective of national agrarian law (Artina et al., 2024), the institutional framework of Balinese customary villages and their authority in resolving customary disputes (Antari & Adnyana, 2023; Wibawa et al., 2020), as well as civil dispute resolution mechanisms through litigation and non-litigation in Bali (Wiguna, 2024). The recognition of indigenous peoples is a form of state response as stipulated in the constitution, namely Article 18B paragraph (2) and Article 28 paragraph (3) of the 1945 Constitution of the Republic of Indonesia. Indigenous peoples in Bali must be guaranteed their rights to the survival of the community and the state (Yusa, 2016). The condition of customary land in customary villages has changed rights from the right of control over PKD land to the property of customary villages. Customary land registration can actually be carried out flexibly and not rigidly, so that coexistence between customary law and state law can be preserved (Suwitra et al., 2024). The recognition of indigenous peoples is a form of state response as stipulated in the constitution, namely Article 18B paragraph (2) and Article 28 paragraph (3) of the 1945 Constitution of the Republic of Indonesia. Indigenous peoples in Bali must be guaranteed their rights to the survival

of the community and the state. However, none of these studies has specifically examined the dispute resolution process involving the sale and purchase of a shophouse building erected on PKD land within a single undivided certificate, particularly within the context of a customary village that possesses its own customary legal institutions. Furthermore, no comprehensive study has analyzed the interaction between national dispute resolution mechanisms whether litigation before general courts or non-litigation through arbitration and Balinese customary institutions (*Kerta Desa* and *Majelis Desa Adat*) in handling disputes involving communal customary village assets, specifically in the context of Tegallalang Customary Village, Gianyar Regency, Bali.

Based on this research gap, this study aims to analyze the legal aspects of the sale and purchase of a shophouse building erected on Village Courtyard Land (PKD) in Tegallalang Customary Village, which has not yet been legally transferred because it remains part of an undivided PKD land certificate, and to examine the most effective dispute resolution mechanism whether through litigation, arbitration, or Balinese customary institutions in resolving disputes arising from such transactions. The significance of this study lies in the urgent need for legal protection for the parties involved in transactions over buildings situated on communal customary land, while also providing a normative contribution to filling the existing legal gap (*rechtsvacuum*) regarding dispute resolution involving customary village assets in Bali, where national agrarian law, contract law, and customary law intersect without yet being comprehensively addressed within a unified regulatory framework.

## Research Method

This study employs an empirical legal research approach, examining disputes arising from the sale and purchase of shophouse buildings erected on Village Courtyard Land (Tanah Pekarangan Desa/PKD) in Tegallalang Customary Village, Gianyar Regency, Bali. This approach was selected because it enables the identification of the gap between existing legal provisions and the actual practices occurring within the community (Soekanto, 2007). Data were gathered from two sources. Primary data were obtained directly through open-ended interviews with key informants, including the Head of Tegallalang Customary Village (Bendesa Desa Pakraman), community leaders, and a Land Deed Official (*Pejabat Pembuat Akta Tanah/PPAT*), supplemented by field observation of the dispute resolution process. Secondary data were derived from relevant legal materials, comprising primary legal sources such as the 1945 Constitution, Law Number 2 of 2014 on Notary Positions, Government Regulation Number 24 of 1997 on Land Registration, and Bali Provincial Regulation Number 4 of 2019 on Customary Villages, as well as secondary legal sources including books, journal articles, and other scholarly works related to the subject matter. Data were analyzed using five techniques: interpretation, to uncover the historical and contextual meaning of applicable legal norms; description, to present factual conditions objectively; argumentation, to construct legal reasoning based on collected findings; evaluation, to assess the validity and appropriateness of legal norms and decisions; and systematization, to establish coherent linkages among relevant legal provisions (McConville & Chui, 2017). Through this combined analytical framework, the study provides a comprehensive understanding of the legal mechanisms governing dispute resolution over buildings situated on communal customary land within the Balinese customary village system.

## Results and discussions

### Legal Status of Shophouse Buildings on Village Courtyard Land (PKD) as Objects of Sale and Purchase in Tegallalang Customary Village

Land holds a fundamental position in Indonesian society, functioning not only as an agrarian economic asset but also as a social instrument reflecting one's status within the

community (Hamid et al., 2026). Since the colonial era, Indonesian land law has operated under a dualistic system, recognizing both European legal frameworks and customary law (*hukum adat*) as parallel bases for determining land status (Ridwan, 1982). In Bali, this duality is most evident in the categorization of customary land into three types: *druwe desa* (land owned by the customary village), *Tanah Pekarangan Desa* (PKD village courtyard land allocated for residential construction), and *Tanah Ayahan Desa* (AyDs village land managed by residents in exchange for customary service contributions) (Puspadewi, 2022).

Within this hierarchy, PKD is not an independent land category but an integral part of *Druwe Desa*. The subject of rights over *Druwe Desa* is the customary village as a legal community entity, not any private individual. The customary village delegates physical control of this communal land to village members (*krama desa*) for residential purposes, meaning that *krama desa* who occupy PKD land are never its owners; they hold only a temporary right of use (*hak pakai*) conditioned upon fulfillment of customary obligations such as *ngayah* (community service) and compliance with *awig-awig* (customary rules).

This communal nature produces a strict horizontal separation (*asas pemisahan horizontal*) between ownership of a physical building and ownership of the underlying land. Under customary law and the UUPA, *krama desa* may own the material value of a building they construct, but the land beneath it permanently remains collective village property. Consequently, a building on PKD land cannot be freely sold together with the land, as in a standard private property transaction. This position is confirmed by field evidence. Certificate No. 22.05.06.01.1.03741 was issued in the name of Desa Adat Tegallalang, not in any individual's name, formally proving that the land constitutes communal village assets (*Druwe Desa*). I Nyoman Undis, based on information obtained during the study, is recorded as the party occupying or utilizing the land; his legal position under Balinese customary law is that of a temporary right-of-use holder, not an owner.

I Wayan Sudana (*Kelian Desa Adat Tegallalang*) confirmed this in an interview:

"PKD land has been used for social, religious, and community purposes from generation to generation. It cannot be sold, especially to parties outside the village. Buildings such as shophouses on this land can only be controlled through a lease or use agreement with a fixed term determined through a *paruman* (customary assembly) decision." (Interview, March 31, 2026)

Dewa Nyoman Rai Widiana (Bendesa Desa Adat Tegallalang) further clarified that under customary law, building ownership and land ownership are two distinct matters. While *krama desa* who construct buildings may privately own those structures, any transfer of such buildings must be conducted with the full knowledge and approval of the customary village, since the land beneath remains *paduwen desa adat* (communal village property) governed by *bak ulayat* (Interview, March 30, 2026). This relationship between the customary community and its land is religio-magical in nature, which Van Vollenhoven (Holleman, 1981) termed *beschikingsrecht* (right of disposal), forming the basis of the village's authority to govern and control all matters relating to its communal land (Kaler, 2018).

Disputes over PKD land are the most frequent customary conflicts in Balinese customary villages. Under Article 1, point 18 of the Bali Customary Village Regulation and Article 37 of Bali Provincial Regulation Number 4 of 2019 on Customary Villages, *Kerta Desa*, the customary judicial body is authorized to receive, investigate, and resolve customary disputes in accordance with locally applicable customary law (Yulianti & Udytama, 2024). Consensus-based resolution is prioritized; if consensus fails, *Kerta Desa* may issue a binding customary decision, and unresolved cases may be escalated to the *Majelis Desa Adat* (MDA). Decisions issued by *Kerta Desa* are binding on all community members, and general courts are typically discouraged from re-adjudicating matters already resolved by customary institutions, as court decisions risk conflicting with the religio-magical values upheld by the community.

### Procedures for the Sale and Purchase of Buildings on PKD Land Requiring Customary Village Approval Under Tegallalang's Awig-Awig

Customary land in Bali is synonymous with *tanah ulayat* land connected to *bak ulayat* (communal rights of the village or community). Customary land transactions carry unique characteristics: under customary law, a valid sale and purchase must be *riil* (real involving actual delivery), *tunai* (cash simultaneous payment), and *terang* (transparent, witnessed by customary authority) (Subekti, 2005). This differs fundamentally from Article 1458 of the Civil Code, which considers a sale concluded upon consensus on the object and price, regardless of delivery or payment. Because PKD land falls under *bak ulayat*, any transaction involving buildings on such land cannot be freely conducted as if it were a private property sale (Irazola, 2025).

I Wayan Sudana explained that the correct procedure begins with a formal application (*permohonan*) submitted to the customary village by the party wishing to conduct a legal act regarding a building on PKD land. This application is then deliberated in a *paruman* (customary assembly) attended by *krama desa*. Only through the *paruman* can approval for a building rights transfer be granted. Without such approval, any sale agreement over a building on PKD land is considered legally invalid under customary law (Interview, March 31, 2026).

The legal basis for this procedure is explicitly found in the Tegallalang *Awig-awig*, specifically Pawos 28 paragraph (5), which states: "*tan kalugra ngadol utawi ngantahang padruwen Desa yantan kasungkemin olih Krama Desa*," meaning, it is not permitted to sell or transfer village property without the approval of the village community. Although the *awig-awig* does not contain a specific provision on the sale of buildings, its explicit prohibition on transferring village land rights extends to buildings situated upon it, since the land itself never transfers to private ownership.

Dewa Nyoman Rai Widiani further explained that the legal relationship between a building owner and the customary village remains one of lease or use, not sale. Therefore, whenever a building transfer occurs, the lease or use agreement must be renewed in the name of the new party and approved through the *paruman*. Any party violating this procedure, as occurred in the Tegallalang dispute, is deemed to have acted beyond their authority, exposing all parties to prolonged legal risk (Interview, March 30, 2026).

In essence, the execution of a building sale on PKD land in Tegallalang represents an integration of private civil agreement between individuals with the sovereignty of customary law, aimed at preserving communal village assets and ensuring that the new party controlling the building continues to fulfill customary obligations (*ngayah*) as required by the *awig-awig*.

In Indonesian customary legal tradition, sale and purchase transactions involving land must be conducted in a *riil*, *tunai*, and *terang* manner (Kusuma et al., 2020). In the Tegallalang case, however, this principle was violated. Based on the interview with I Wayan Sudana, the dispute originated approximately ten years ago when several parties built shophouses on PKD land under lease or use arrangements. Over time, the rights over these shophouses were transferred through sale and purchase transactions conducted without the knowledge of the customary village. Buyers mistakenly believed that possession of a private sale deed (*surat jual beli bawah tangan*) and a Building Construction Permit (*IMB*) granted them full rights over both the building and the land. In reality, the land remained inalienable property of the customary village (Interview, March 31, 2026).

Dewa Nyoman Rai Widiani explained that these sale agreements originated from prior debt relationships: the original builders of the shophouses had debt obligations to other parties, and building rights were transferred through private sale deeds as a form of debt settlement. This practice created a dual misunderstanding: buyers believed the private deed and IMB were sufficient to claim full ownership, while the customary village had never consented to any such transfer (Interview, March 30, 2026).

The central legal defect in these transactions is the abuse of circumstances (*misbruik van omstandigheden*). The agreement did not arise from the free will of both parties, but rather as a

debt repayment mechanism marked by significant power imbalance. The creditor, in a dominant economic position, exploited the debtor's financial distress and limited legal knowledge, particularly regarding the special status of PKD land, to coerce the debtor into signing a private sale deed instead of pursuing lawful collateral execution procedures (Ginting et al., 2025).

The abuse can be identified through the causal relationship between the debtor's particular circumstances, financial distress, dependency on the creditor, and asymmetry of legal knowledge and the formation of the sale agreement (Mubarok, 2025). Creditors actively exploited these conditions by constructing private sale agreements, often simultaneously with debt acknowledgment deeds or powers of attorney, as instruments to transfer building control and physical possession of PKD land without following lawful transfer procedures (Febiolia, 2020; Putri, 2021). The resulting agreement was therefore not based on the debtor's free consent but arose from structural coercion inherent in an unequal debt relationship.

Article 1321 of the Civil Code (*KUHPerdata*) provides that an agreement has no binding force if consent was given by mistake (*dwaling*), obtained through duress (*dwang*), or obtained through fraud (*bedrog*). All three forms of consent defect are present in this case.

Duress (*dwang*) manifests as economic pressure; the debtor, unable to repay the debt, is compelled to sign a private sale deed, despite not genuinely consenting to the asset transfer. This form of psychological and economic coercion has been recognized in case law as grounds for voiding a contract, affirmed in Supreme Court Decision Number 2356 K/PDT/2008.

Fraud (*bedrog*) occurs when the creditor deliberately withholds material information about the PKD land's special legal status, that it cannot be privately owned, and carries strict restrictions on rights transfer, causing the legally uninformed debtor to consent based on misleading information.

Mistake (*dwaling*) arises when the debtor believes the document signed is merely a temporary sale, binding agreement, or power of attorney, when in substance it permanently transfers building ownership and physical land control. This misunderstanding is compounded by the absence of adequate legal explanation from the creditor or any competent authority (Munir, 2018). All three defects are frequently present simultaneously, rendering the agreement non-compliant with the subjective validity requirements of Article 1320 of the Civil Code, making it subject to judicial cancellation (*vernietigbaar*).

The legal consequences of such agreements are twofold. First, the agreement is voidable (*vernietigbaar*) due to defects of consent violating the subjective requirements of Article 1320. Supreme Court Decision Number 2356 K/PDT/2008 affirms that agreements made under compulsion and economic pressure constitute abuse of circumstances subject to cancellation. Cancellation may also be grounded in Article 1338 paragraph (3), which requires good faith performance of a standard clearly violated by creditors exploiting the debtor's distress to seize assets with a special legal status (Asmin, 2025). Since the agreement was made under a private deed without following lawful land transfer procedures, it also lacks complete evidentiary force before a court.

Second, where objective validity requirements of Article 1320 are not met, specifically a lawful cause (*causa yang halal*), the agreement may be null and void (*batal demi hukum*) from the outset. Unlike a voidable agreement, a null and void agreement is deemed never to have existed (*ex tunc*), with the consequence of restoring both parties to their pre-contractual position (*restitutio in integrum*) (Subekti, 2005). Under Articles 1335 and 1337 of the Civil Code, agreements based on a false, prohibited, or unlawful cause, including those contrary to law or public order, have no legal force. In this case, a sale agreement over a building on PKD land, whose underlying land is legally inalienable under customary law and Permendagri No. 4/2007, may qualify for nullity on this ground.

### Dispute Resolution: Non-Litigation and Litigation Pathways

Land disputes are a chronic and multi-dimensional problem in Indonesian society, persisting across every era of governance (Lukman, 2007; Wirawan et al., 2021). Effective resolution of customary land disputes requires an approach that acknowledges the dualism between customary legal institutions and the national legal system, honoring local wisdom without disregarding the applicable formal legal framework (Tidwell & Zellen, 2016). Under the Minister of Agrarian Affairs/Head of BPN Regulation Number 1 of 1999, a land dispute is defined as a difference of opinion regarding the validity of a right, the granting of land rights, and the registration of land rights, including their transfer.

Non-litigation dispute resolution, also known as Alternative Dispute Resolution (ADR) (Moffitt & Bordone, 2012), prioritizes a *win-win solution* through deliberation, rather than the adversarial win-lose model of litigation (Nader & Todd, 1978). The available non-litigation pathways include: (1) Negotiation (*negosiasi*) a bipartite process producing a non-binding compromise solution; (2) Conciliation (*konsiliasi*) involving a neutral conciliator who must resolve within thirty working days, with any peace agreement registered at the relevant court for enforcement purposes (Syarif, 2014); (3) Mediation (*mediasi*) (Härter et al., 2020) where an independent third party facilitates agreement without holding decision-making authority; and (4) Arbitration (*arbitrase*) under Article 1 paragraph (7) of Law Number 30 of 1999, where an arbitrator or panel issues a final and binding decision, which must be registered at the District Court within 30 days of pronouncement and executed upon the court's approval.

In the Tegallalang case, the customary village applied a staged resolution process. Based on the interview with I Wayan Sudana, the first step was convening an internal *paruman* to map the dispute comprehensively, involving all *krama desa* in discussing the facts of the case. Following this, the customary village summoned both the original seller and the new buyer to participate in customary mediation (*mediasi adat*) at the village *wantilan* (community hall). This mediation was conducted twice but failed to reach a consensus, as the buyer felt financially aggrieved having paid money for a shophouse standing on customary village land (Interview, March 31, 2026).

Throughout this process, the customary village adhered firmly to the *Anig-anig* and *Pararem*, prohibiting the sale of PKD land without village assembly approval. The ideal solution offered by the customary village was for the buyer to continue utilizing the shophouse under a formally renewed lease or use agreement in the name of the customary village, with compensation values to be mutually determined, and the original seller to bear responsibility for conducting a legal transaction beyond his authority. The guiding principles applied were *asah*, *asih*, and *asuh*, the core Balinese values of mutual guidance, compassion, and care (Interview, March 31, 2026).

Dewa Nyoman Rai Widian explained that before formal mediation, *Kerta Desa* conducted a preliminary investigation through Sabo Panureksa (a customary examination body) that collected information separately from both the claimant and the respondent to obtain a complete picture of the dispute. The resolution principle applied was *parasparos* mutual give and take through which both parties adjust their positions to reach a fair settlement. The customary village did not simply validate or disregard the private deed; rather, it treated it as a subject of review while consistently upholding the principle that PKD land must not transfer ownership and that customary obligations remain binding on whoever controls the building (Interview, March 30, 2026).

Village-level mediation holds particular value because mediators drawn from the local community possess a deeper understanding of the dispute's roots and applicable local wisdom (Panggabean, 2008). It also serves as an effective filter against case accumulation in courts (Mustaqim, 2022). The legal basis for this mediation role is Article 26, paragraph (4) letter K of Government Regulation Number 43 of 2014 on the Implementation of Law Number 6 of 2014 on Villages, which authorizes the Village Head to maintain peace, order, and resolve community

disputes. When non-litigation efforts reach an impasse, the final recourse is filing a civil lawsuit before the District Court (*Pengadilan Negeri*). Litigation provides a binding dispute resolution mechanism (*condemnatoir*) with an enforceable final decision, operating under the principle of an independent judiciary free from external interference (Nader & Todd, 1978).

I Wayan Sudana stated that the customary village does not foreclose this option, but emphasized that litigation remains a last resort in order to preserve social harmony and avoid protracted disputes (Interview, March 31, 2026). The litigation process begins with the submission of a written lawsuit to the local District Court's registry in accordance with HIR (civil procedural law). The court examines the validity of the private deed as evidence insofar as it satisfies the requirements of Article 1320 of the Civil Code and whether breach of contract (*wanprestasi*) is proven. If proven, the court may declare the agreement valid and binding, order the defendant to fulfill performance obligations, including signing an authentic deed before a PPAT award compensation (*schadevergoeding*), or order the auction of the collateral for debt repayment.

A critical evidentiary issue in disputes arising from private deeds is whether the deed reflects a genuine primary debt agreement whose settlement was agreed through sale, or whether it constitutes a conditional sale agreement. If the sale deed was executed before the debt was fully repaid, this may be grounds for the judge to cancel the deed or order an auction execution (Abdullatif et al., 2024; Aman, 2024). Litigation thus not only resolves the immediate dispute but also provides legal certainty regarding the ownership status of the building and the legal standing of the PKD land that forms the subject of the case.

## Conclusion

The legal status of shophouse buildings on PKD land in Tegallalang Customary Village constitutes private property of the occupying *krama desa*, horizontally separated from the underlying land's status as communal village assets (*druwe desa*). Accordingly, any sale and purchase transaction is legally valid only to the extent of the material value of the physical building structure and the right of use over the land, not as a full transfer of ownership rights. Juridically and customarily, such a building cannot stand alone as a freely tradeable object, as its existence is bound religio-magically and administratively to the communal land (*tanah ulayat*). Every transfer, therefore, requires prior approval from the customary village through the *paruman* mechanism and strict compliance with *Awig-awig* Pawos 28 paragraph (5), ensuring that the incoming party continues to fulfill customary obligations (*ngayah*). The transaction is therefore not a free conveyance of title, but a legal integration process that transforms a private civil agreement between individuals into a renewed lease or right-of-use arrangement subject to the sovereign authority of Tegallalang Customary Village.

Dispute resolution over buildings on PKD land arising from underhanded debt agreements centers on examining the validity of the underlying agreement, which is indicated to contain defects of consent (*wilsgebreken*) in the form of abuse of circumstances (*misbruik van omstandigheden*), whereby the creditor exploited a dominant economic position and the debtor's financial distress to transfer an asset with a special legal status. Since the disputed object stands on communal land governed by the *Awig-awig* of Tegallalang Customary Village, particularly Pawos 28 paragraph (5), and was transferred without mandatory *paruman* approval, the legal standing of such an agreement is weak and subject to cancellation (*vernietigbaar*) for violating the subjective requirement of free consent. The preferred resolution mechanism is non-litigation through mediation conducted by *Kertha Desa*, applying the principles of *parasparos* and restorative justice to restore social harmony among the parties. Should mediation reach an impasse, litigation before the District Court remains the final recourse, with judicial examination focused on proving the presence of good faith and the fulfillment of breach of contract (*wanprestasi*) elements in the parties' legal relationship.



These findings contribute theoretically by demonstrating that the horizontal separation principle (*asas pemisahan horizontal*) under the UUPA operates differently when applied to communal customary land than to private land, requiring contextual legal interpretation that integrates national civil law with customary institutional authority. This study is limited to Tegallalang Customary Village and relies primarily on two key informants, which constrains direct generalizability to other Balinese customary villages with differing *awig-awig* provisions. The absence of a concluded court judgment also means the litigation pathway remains analytically rather than empirically resolved. Future research should conduct comparative studies across multiple customary villages, examine the supervisory role of the *Majelis Desa Adat* (MDA) in cross-village disputes, and explore legislative reform pathways to fill the existing legal gap (*rechtsvacuum*) governing commercial building transactions on communal customary land in Bali.

### **Declaration of AI and AI-Assisted Technologies**

During the preparation of this work, the author(s) used DeepSeek (or ChatGPT, or Grammarly) to improve English grammar, check sentence fluency, and assist with reference formatting. After using this tool/service, the author(s) reviewed and edited the content as needed and take full responsibility for the integrity, accuracy, and originality of the publication's final version.

### **CRedit Authorship Contribution Statement**

- a. I Komang Gede Rama Putra: Conceptualization, Data Curation, Formal Analysis, Investigation, Writing – Original Draft, Writing – Review & Editing.
- b. I Wayan Wesna Astara: Supervision, Validation, Project Administration, Writing – Review & Editing.
- c. Nengah Renaya: Resources, Methodology, Translation.

### **Declaration of Competing Interest**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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Data supporting the findings of this study are available upon reasonable request from the corresponding author at Ramaputra12031997@gmail.com.

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### **Ethical Approval Statement**

The authors confirm that this study adheres to ethical research standards. No personally identifiable information of informants is disclosed. As this research involved only interviews and document analysis without medical experimentation or sensitive personal data, formal ethical approval was not required according to the institutional guidelines of Universitas

Warmadewa. However, all informants provided oral informed consent before participation.

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