



Abuse of Circumstances as Grounds for Cancellation of Transfer of Rights (Study of Decision Number 186/Pdt.G/2024/Pn Skt)

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Abstract: This research examines the application of the concept of undue influence (*misbruik van omstandigheden*) as an indication for the cancellation of the transfer of rights in Indonesian civil law, specifically through an analysis of Surakarta District Court Decision Number 186/Pdt.G/2024/Pn Skt. Although not explicitly regulated in Indonesian Civil Code, this concept has gained judicial recognition through court decisions and jurisprudence. Undue influence occurs when an agreement is formed under conditions of disparity, where one party takes advantages of the economic or psychological weakness of the other party to obtain unfair benefits. This research uses a normative legal research method with a conceptual approach, examining secondary data through a literature study consisting of primary, secondary, and tertiary legal materials. The data analysis was conducted qualitatively through the stages of data reduction, data representation, and conclusion making. The result of the study show that the concept of undue influence is applied in Indonesian civil law based on open contract law system, the principles of freedom of contract and good faith, as well as the doctrine of unlawful acts. In decision number 186/Pdt.G/2024/Pn Skt, the judges identified five elements of undue influence, including circumstances that weaken the position of the plaintiffs, an unequal power relationship, exploitation of the circumstances by the defendant, lack of freedom of will, and conflict with decency, justice, and humanity.

Keywords: cancellation of agreements, defect of will, transfer of rights, undue influence.

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1. Introduction

An agreement is a legal bond that arises from an agreement between parties that requires pure and free consent, as stipulated in Articles 1320 and 1321 of the Civil Code (KUHPerdata) (Miru & Pati, 2024). The Civil Code stipulates four conditions for a valid agreement, namely: agreement, legal competence, a specific object, and a lawful cause. However, in practice, this freedom of will does not always result in a genuine agreement (Sumriyah, 2019). This freedom carries the risk of defects of consent (*wilsgebrek*), including coercion (*dwang*), error (*dwaling*), fraud (*bedrog*), and other forms beyond the classic defects of consent, namely abuse of circumstances (*misbruik van omstandigheden*) (Ramadhani et al., 2024). However, this freedom does not always guarantee the formation of a genuine agreement. Abuse of circumstances arises when an agreement is formed not from a position of equality, but from a condition of disparity that places one party in a weak or disadvantageous position. Interestingly, although the Civil Code does not explicitly regulate abuse of circumstances, this concept has

developed and is used in judicial practice in Indonesia. Court decisions have begun to adopt this concept as a basis for legal considerations in resolving civil disputes.

The most dominant socio-economic factor that is often exploited in debt transactions involving abuse of circumstances is the imbalance in bargaining power, which is driven by two main factors: a) Financial Distress; This is a condition in which one party is in severe and urgent financial difficulty, making them highly vulnerable to onerous contract terms. b) Psychological and Legal Vulnerability This is a condition of non-economic vulnerability that renders the weaker party incapable of making decisions with free will. Thus, socio-economic factors in the form of financial difficulties and psychological pressure exacerbated by legal (criminal) threats are the main root causes exploited by the more powerful party, resulting in defects of consent in the formation of contracts.

The phenomenon of abuse of circumstances has gained increasing attention after several decisions by the Supreme Court of the Republic of Indonesia consistently used it as a basis for legal considerations. In a number of cases, judges began to interpret this concept as a valid reason for cancelling agreements made in unbalanced situations. The concept of abuse of circumstances as a reason for invalidating agreements first appeared in jurisprudence through Indonesian Supreme Court Decision No. 3641 K/Pdt/2001 dated 11 September 2002. This case originated from the signing of Deed of Agreement No. 41 and No. 42 by the Plaintiff, Made Oka Masagung, while he was in detention. Under physical and psychological pressure, the Plaintiff was given several deeds to sign, stating that he owed PT Bank Artha Graha Rp 215,837,852,000 (two hundred and fifteen billion, eight hundred and thirty-seven million, eight hundred and fifty-two thousand rupiah), even though the debt had actually been the responsibility of another party since 1994. The Plaintiff, who was frustrated at the time because he was being detained, eventually signed all the documents (Jurisprudence Mahkamah Agung, 2022).

The Supreme Court in its consideration emphasised that the principle of freedom of contract is not absolute. In this case, the Supreme Court held that signing an agreement while a person is in custody constitutes abuse of circumstances, as it results in that person not being free to express their will. The Supreme Court also emphasised that the contract law system is open, so that legal values that exist in society in accordance with propriety, justice and humanity can be used as an effort to change the provisions agreed upon in the contract. Based on these considerations, the Supreme Court then annulled the deeds of agreement signed under duress and pressure, along with other derivative agreements made on the basis of these two agreements (Jurisprudence Mahkamah Agung, 2022).

Over time, the concept of abuse of circumstances has been increasingly used in various cases with different characteristics. The application of the concept of abuse of circumstances has shown significant development. It is no longer limited to psychological and physical pressure, but extends to various contexts of civil agreements that reflect economic inequality and the bargaining positions of the parties. One example of this can be seen in the Indonesian Supreme Court Decision No. 106 PK/Pdt/2020, which involved a dispute over the transfer of rights to land and buildings

between Lisa Juliana Tanjung as the creditor and Agus Susanto and Maria Fransiska Kartika as the debtors. In this case, due to economic difficulties, the debtors borrowed money by mortgaging 312 m² of land and buildings located in South Jakarta. As collateral, they signed various deeds, including a Power of Attorney, before a notary. However, the creditor then misused the Power of Attorney to transfer ownership of the land through a Deed of Sale and Purchase without the debtors' knowledge, resulting in the land certificate being transferred to the creditor, Lisa Juliana Tanjung (Putusan Mahkamah Agung Republik Indonesia, 2020). The Supreme Court, in its ruling, upheld the decision of the Jakarta High Court which stated that the signing of a Power of Attorney in conditions of economic hardship constituted abuse of circumstances, and therefore Deed of Sale and Purchase No. 109 of 2008 and Deed of Sale and Purchase Agreement No. 45 of 2008 must be declared null and void. This ruling demonstrates that the concept of abuse of circumstances also covers situations of economic inequality in which the financially stronger party exploits the weakness of the other party to obtain unfair advantages through agreements that appear to be formally valid.

Both cases bear similarities to a case that occurred in the city of Surakarta, involving a prominent businessman who was quite influential there. The problem began when a director of a private university in Surakarta was reported by his business partner for allegedly embezzling Rp 1.5 billion in bailout funds. The funds were loaned by his business partner, a major businessman and company owner, with a number of conditions that had to be met, including a letter of commitment to repay the funds and a 6% monthly interest payment. Based on information circulating in local media reports, the private university director's legal counsel clarified that the relationship between his client and the businessman in question was purely a debt agreement for campus operational needs, not for a city pedestrian maintenance project as alleged. The legal representative emphasised that his client is involved in education and is the owner of the university, so the borrowed funds were used for campus operational activities. According to him, the businessman has twisted the facts and made it seem as if this case is one of fraud and embezzlement. Furthermore, the allegation that the funds were used for a pedestrian maintenance project is illogical, considering that educational institutions have no connection to such public infrastructure projects (Hartanto, 2025).

Although jurisprudential developments indicate that the concept of abuse of circumstances or *misbruik van omstandigheden* is beginning to gain practical recognition even in the highest courts, there is still a regulatory void in the Indonesian civil law system that specifically governs this concept. Although judges have used this doctrine, there is no clear written legal basis in either the Civil Code (KUHPerdata) or sectoral regulations that explicitly regulates the limits, elements, or implications of abuse of circumstances. The phenomenon of abuse of circumstances that has existed in practice has prompted the author to conduct in-depth research to examine how the concept of abuse of circumstances is actually applied in Indonesian civil law, how judges consider cases involving abuse of circumstances, and what legal consequences arise from the application of this concept on the validity of transfer of rights. This research is expected to provide a more comprehensive understanding of the application of the concept of abuse of circumstances in Indonesian judicial practice.

2. Materials and Methods

This research is normative legal research. Peter Mahmud Marzuki defines normative legal research as a process of discovering legal rules, legal principles, and legal doctrines in order to answer legal issues that arise. In line with this definition, this study aims to examine legal norms, doctrines, and judicial practices related to abuse of circumstances as grounds for contract cancellation (Marzuki, 2019). The approach used is a conceptual approach to understand and analyse legal norms related to abuse of circumstances (*misbruik van omstandigheden*) as grounds for contract cancellation. Through this approach, the study focuses on examining the relationship between applicable legal principles, rules, and doctrines, as well as how these norms are applied in judicial practice in Indonesia. The type of data used in this study is secondary data, obtained through library research. This data includes primary legal materials, namely the Civil Code (KUHPdata) and decisions of the Supreme Court of the Republic of Indonesia that use abuse of circumstances as a basis for legal considerations. Secondary legal materials include law books, scientific journals, academic articles, and news articles discussing the concept of abuse of circumstances. Meanwhile, tertiary legal materials include legal dictionaries and encyclopaedias. Data collection was conducted through a literature study, in which researchers collected and reviewed various relevant legal materials (primary, secondary, and tertiary). Data Analysis, was conducted qualitatively. The stages of data analysis include: Data Reduction: Selecting, focusing, simplifying, and abstracting relevant data from legal materials. Data Representation: Presenting the reduced data systematically. Conclusion Making: Drawing conclusions based on the analysis of norms, doctrines, and judicial practices.

3. Results and Discussions

3.1 *The Judge's Considerations in Decision Number 186/Pdt.G/2024/PN Skt Regarding the Cancellation of Transfer of Rights Due to Abuse of Circumstances*

The judge's considerations are not merely an administrative formality, but rather the core of every court decision. This section shows the legal and logical thought process behind the decision (Permatasari & Alfian, 2025). Although the Methodology section states that the analysis was conducted qualitatively through the stages of reduction, presentation, and conclusion drawing, this process was practically realised in the Results and Discussion section through: Case Analysis: The judge thoroughly examined and analysed the Case Position of Decision No. 186/Pdt.G/2024/PN Skt, which included the debt-credit relationship, psychological pressure (criminal report), and the signing of the Power of Attorney to Sell. Identification of Legal Elements: The judge identifies five elements of abuse of circumstances (*misbruik van omstandigheden*) that are fulfilled in the case. Interpretation of Norms (Doctrinal): The judge applied and interpreted the relevant legal norms, namely Article 1321 of the Civil Code (defective intent), Article 1178 of the Civil Code (prohibition of *beding eigendom*), and Article 1365 of the Civil Code (Unlawful Acts). In this regard, the judge's considerations in deciding on the transfer of rights due to abuse of circumstances in Decision Number 186/Pdt.G/2024/PN Skt are as follows:

a. Case Position

Judgment No. 186/Pdt.G/2024/PN Skt is a civil case involving a dispute over the transfer of land rights arising from a debt-credit relationship. Plaintiff I borrowed funds from the Defendant in the amount of IDR 3,000,000,000 with 5% interest per month deducted in advance for 3 months, so that the net funds received were only IDR 2,500,000,000. Plaintiff I acted as the principal borrower, Plaintiff II as the guarantor (borgtocht), while Plaintiff III was unaware of the debt transaction but his name was listed on the land certificate as one of the owners.

When Plaintiff I experienced difficulties in paying interest due to high financial burdens and loan problems with other third parties, Defendant reported Plaintiff I to the Surakarta Police on charges of fraud and/or embezzlement. With Plaintiff I under psychological pressure due to the criminal report, Defendant then requested additional collateral in the form of land certificates. The Defendant finally accepted two land certificates belonging to the Plaintiffs: Freehold Certificate Number 326 covering an area of 114 m² and Freehold Certificate Number 187 covering an area of ± 176 m², both located in Ketelan Village, Banjarsari District, Surakarta City.

On 26 March 2024, the Plaintiffs were summoned by the Defendant to come to the office of Co-Defendant IV (Notary) to sign Power of Attorney to Sell Numbers 08 and 09. The Defendant unilaterally calculated the principal debt, interest, and taxes, then declared that with the signing of the deed and the transfer of IDR 683,500,000 to Plaintiff II, the settlement or sale and purchase of the disputed object had taken place. The Plaintiffs objected because the sale value of the disputed property should be IDR 9,750,000,000 (land and buildings), far exceeding the principal debt of IDR 3,000,000,000. However, under pressure and with no other options, The plaintiffs were forced to sign the Power of Attorney to Sell. After the signing took place, the defendant then withdrew his report at the Surakarta Police Headquarters.

b. Judge's Considerations

The judge's considerations regarding abuse of circumstances in Decision Number 186/Pdt.G/2024/PN Skt are as follows: (a) The Panel of Judges found that the Defendant had abused circumstances (misbruik van omstandigheden) in the process of obtaining approval for the transfer of rights through the signing of Power of Attorney to Sell Numbers 09 and 09 dated 26 March 2024. The plaintiffs' consent and signatures were given under duress and without any other choice, resulting in a defect of will (wilsgebreken). (b) The Power of Attorney to Sell, which was drawn up in an authentic deed, did not meet the formal requirements because it appointed the defendant as the attorney-in-fact to sell the land to himself, contrary to Article 1178 of the Civil Code and Article 1470 of the Civil Code. This constitutes a prohibition on self-dealing and is contrary to the mechanism of lawful execution of collateral. Therefore, the deed is invalid and has no binding legal force. (c) The Panel of Judges considered that the Defendant's action of combining the debt agreement with the sale and purchase of land as a unilateral execution of collateral was an unlawful act (onrechtmatige daad) based on Article 1365 of the Civil Code. This action caused material and immaterial losses to the Plaintiff and fulfilled the elements of an unlawful act. (d) The Panel of Judges

granted the plaintiffs' claim to declare the Power of Attorney to Sell invalid, cancel the transfer of land rights, and order the return of the land certificate to the plaintiffs. The judge also ordered the defendant to pay compensation for the unlawful act.

c. Identification of Elements of Abuse of Circumstances

Based on the considerations of the Panel of Judges in this case, several elements of abuse of circumstances can be identified as follows:

1) Special Circumstances that Weaken the Position of the Plaintiffs

The Panel of Judges in this case assessed that the Plaintiffs were in a very weak position, characterised by: the failure of Plaintiff I to fulfil their obligations to pay debts and interest; psychological pressure in the form of fear of the prosecution process initiated by the Defendant through a report to the Surakarta Regional Police; and the absence of other options where the Plaintiffs were faced with two options, namely signing a Power of Attorney to Sell or paying off all debts that they were unable to pay at that time. This consideration shows that the element of special circumstances that weakened the position of the debtor has been fulfilled. The Plaintiffs in this situation did not have freedom of will in determining their legal decisions. This relates to Article 1320 of the Civil Code, which requires free agreement as an element of a contract.

2) Imbalance of Power Between the Parties

The court confirmed that there was a significant disparity between the position of the plaintiffs and that of the defendant. The defendant had an economic advantage that enabled it to provide large loans while imposing very onerous terms, including a 5% monthly interest rate deducted in advance. Furthermore, the Defendant also had a psychological advantage through the use of criminal law instruments (police reports) as a means of pressure to force the Plaintiffs to agree to the transfer of their land rights. The Panel of Judges stated that in the sale and purchase agreement, which was followed by the signing of Power of Attorney Deeds No. 08 and No. 09 dated 26 March 2024, there was an unequal power relationship between the sellers (the Plaintiffs) and the buyer (the Defendant).

3) Exploitation of Circumstances by the Defendant

The Panel of Judges identified that the Defendant actively exploited the Plaintiffs' weaknesses to obtain unfair advantages. This exploitation took the following forms: the use of criminal reports as a means of pressure even though the issue at hand was a breach of contract, which is a civil matter; the request for additional collateral in the form of land certificates after the Plaintiffs experienced payment difficulties; the unilateral determination of the sale value of the disputed property without involving a fair independent appraisal; and the use of the Power of Attorney to Sell as an instrument of transfer of rights. The use of this Power of Attorney to Sell is essentially a form of bedding clause or promise that gives the creditor the authority to own the collateral (Putri, 2021). The Panel of Judges considered that the Defendant's action was contrary to Article 1178 of the Civil Code, which expressly prohibits bedding ownership or promises of ownership in debt-credit agreements with collateral. The provisions of

this article prohibit any agreement that grants the creditor the authority to directly take possession of the property used as collateral. Meanwhile, Article 1470 of the Civil Code states: 'Likewise, under the same threat, it is not permissible to be a buyer in a private sale, whether the purchase is made by themselves or through an intermediary: agents, insofar as it concerns goods entrusted to them for sale...'

4) Lack of Free Will in the Formation of the Agreement

The Panel of Judges emphasised that the sale and purchase agreement did not reflect the free will of the Plaintiffs. In its consideration, the Panel of Judges stated that 'the criminal proceedings conducted by the Defendant did not begin with the legally valid mechanism of executing the Plaintiff I's property, thereby instilling fear in the Plaintiffs until they finally submitted to the offer to sell the land made by the Defendant.' The Plaintiffs signed the Power of Attorney to Sell under duress, confusion, and unwillingness because the sale price offered did not correspond to the fair value of the disputed property and they felt burdened in signing because all calculations were made unilaterally by the Defendant.

d. Application of Article 1321 of the Civil Code and the Concept of Abuse of Circumstances

The Panel of Judges used Article 1321 of the Civil Code as the main legal basis in assessing the validity of the agreement. This article states that 'no agreement shall have any force if it is given due to error or obtained by coercion or fraud.' Although coercion in Article 1321 of the Civil Code classically refers to physical threats or violence, this concept has been expanded to include psychological pressure that results in the loss of a person's freedom of will. According to Subekti in Contract Law, there are three reasons that make a contract not freely made, namely: coercion, mistake and fraud. Coercion is spiritual coercion or psychological coercion, not physical coercion. For example, one party is forced to agree to a contract because they are threatened and/or intimidated (Subekti, 2005).

The Panel of Judges stated that 'consent is one of the subjective requirements included in the requirements for a valid agreement as stipulated in Article 1320 of the Civil Code, the implementation of which must take into account various factors and conditions that influence a person's decision to enter into an agreement.' In decision No. 186/Pdt.G/2024/PN Skt, the Panel of Judges provided a conceptual clarification of the meaning of abuse of circumstances as "the practice of exploiting a particular situation to obtain unlawful gains. In Indonesian civil law, abuse of circumstances can be grounds for cancellation of an agreement. Abuse of circumstances may occur when one party to the agreement exploits an economic or psychological advantage." Abuse of circumstances may be based on the existence of a power relationship in the financial, psychological, or professional spheres, or other matters that may actually undermine the sincerity of one party in forming the agreement.

e. Conclusion of the Panel of Judges

Based on all considerations of the Panel of Judges discussed above, it can be concluded that: (a) There has been abuse of circumstances (*misbruik van omstandigheden*) in the formation of the sale and purchase agreement and the signing of the Power of Attorney to Sell Number 08 and Number 09 dated 26 March 2024. (b) The Defendant's act of taking advantage of the situation by instructing Co-Defendant IV to create a Power of Attorney to Sell as a process of transferring rights to the disputed object, which in reality was only used as collateral for debt, constitutes abuse of circumstances. (c) The Defendant's actions constitute unlawful acts as referred to in Article 1365 of the Civil Code. (d) The Power of Attorney to Sell signed under conditions of abuse of circumstances must be declared null and void or without legal binding force.

The judge's considerations in this ruling demonstrate a progressive approach in applying the concept of abuse of circumstances. Although this concept is not explicitly regulated in the Civil Code, the Panel of Judges in its ruling here dared to make a broader interpretation of Article 1321 of the Civil Code by including abuse of circumstances as a form of psychological pressure that can invalidate an agreement. This ruling shows that the judge's authority is not limited to assessing the formal validity of an agreement, but also includes an assessment of the circumstances and processes that influenced the conclusion of the agreement. When evidence is found that one party is in a very weak position and the other party takes advantage of this weakness to obtain disproportionate benefits, the resulting agreement can be invalidated even if it formally meets the requirements of an agreement. This is in line with developments in jurisprudence, as discussed earlier, which consistently recognises abuse of circumstances as grounds for invalidating agreements in Indonesian civil law.

3.2 Legal Consequences of the Application of Abuse of Circumstances to the Validity of Transfer of Rights

In Soeroso's opinion, legal consequences are essentially the consequences that arise from a person's actions aimed at achieving certain results and which are regulated by law. Soeroso divides these consequences into three forms, namely: (a) changes in the legal situation, whether it be the emergence of a new situation, changes to an existing situation, or the disappearance of a legal situation; (b) the formation, change, or termination of a legal relationship between two or more parties, in which each party has opposing rights and obligations; and (c) the imposition of sanctions in response to acts that are contrary to the law. In the context of contract law, the legal consequences as categorised by Soeroso specifically refer to the second form, manifested in the form of the emergence of reciprocal rights and obligations between the parties (Soeroso, 2011). This is in line with the provisions of Article 1338 paragraph (1) of the Civil Code. As a legal consequence, the parties are obliged to respect and implement the entire contents of the agreement, whereby the rights of one party become the obligations of the other party, and vice versa.

The legal consequences in the form of the creation of reciprocal rights and obligations can only be realised if the conditions for a valid agreement as stipulated in Article 1320 of the Civil Code have been fulfilled (Senda et al., 2024). If the agreement

does not meet the subjective requirements (agreement and competence), then the agreement can be cancelled (*vernietigbaar*). Conversely, if it does not meet the objective requirements (specific object and lawful cause), then the agreement is null and void (*nietig*).

In civil law practice, there are still many agreements whose implementation does not reflect a balance between the parties, even though they formally comply with the provisions stipulated in the Civil Code. Examples include the agreements contained in Decision No. 3641 K/ Pdt/2001, No. 106 PK/Pdt/2020, and No. 186/Pdt.G/2024/PN Skt, where agreements that appear valid formally contain abuse of circumstances that lead to disparities in the positions of the parties, potentially resulting in agreements that are not based on free will (Yuliana, 2023).

The development of doctrine and jurisprudence has broadened the scope of defects of consent by recognising abuse of circumstances (*misbruik van omstandigheden*) as grounds for cancellation of an agreement. This is not limited to classic forms of defects of consent, but abuse of circumstances is ultimately also recognised as a form of imbalance of consent arising from differences in the social, economic or psychological position of the parties to an agreement. This expansion is considered fairer because it allows judges to assess the validity of an agreement not solely from the formal aspect of fulfilling the requirements for a valid agreement as stipulated in Article 1320 of the Civil Code, but also from the substance of justice and legal balance between the parties (Nuraini et al., 2020).

The concept of abuse of circumstances is important because it serves as a means to protect parties in a weak position, so that the principle of freedom of contract is not exploited as a tool of domination by stronger parties. Based on the jurisprudence and first instance court decisions discussed in this study, the application of the concept of abuse of circumstances has several legal consequences, including:

a. Cancellation of Agreements

Agreements proven to contain abuse of circumstances may be cancelled (*vernietigbaar*) by a judge at the request of the aggrieved party. As long as the agreement has not been cancelled, it will remain binding on the parties who made it. This is different from an agreement that is null and void (*nietig*), which is returned to its original state, as if the agreement had never been made or implemented. As explained by J. Satrio, a party who feels that their interests have been harmed must file a petition for cancellation through the court, and if no petition for cancellation is filed even though the relationship is unbalanced, the existence of the agreement remains valid and binding on the parties (Satrio, 2001).

The cancellation of an agreement due to abuse of circumstances can be done in whole or in part, depending on the extent to which this abuse of circumstances affects the agreement. This is a consequence of the construction of abuse of circumstances as a defect of will (*wilsgebrek*), not a defect of causa which automatically cancels the entire agreement. In practice, judges have the authority to assess which parts of the agreement contain elements of abuse of circumstances and must be cancelled, and which parts can still be upheld if they do not harm the weaker party (Suwandono & Yuanitasari, 2023).

b. The Principle of Accessory Agreements in Contracts

One important legal consequence of the cancellation of a contract due to abuse of circumstances is that the cancellation covers not only the main contract but also all accessory agreements arising from the contract that contains the abuse of circumstances. This means that the existence and validity of the additional agreement depends on the main agreement, so that if the main agreement is cancelled, the accessory agreement is also cancelled (Achmad & Indradewi, 2024).

This principle of accessory is clearly applied in Supreme Court Decision No. 3641 K/Pdt/2001, in which the Supreme Court cancelled Deeds of Agreement Nos. 41 and 42 signed by Made Oka Masagung while he was in custody, along with all other derivative agreements made on the basis of those two agreements. The Supreme Court stated in its considerations: ‘...the legal consequences set forth in the agreements contained in Deed of Agreement No. 41 and No. 42, along with other agreements issued or made based on these two agreements, must be nullified.’ (Suwandono & Yuanitasari, 2023).

This ruling has two important legal implications: First, the cancellation is comprehensive and is not limited to agreements that were directly signed under abusive circumstances, but also covers the entire series of agreements arising from the main agreement. Second, the judge has the authority to trace and identify all derivative agreements affected by the cancellation of the principal agreement, ensuring that the restoration of the rights of the aggrieved party is carried out comprehensively (Farida, 2025).

c. Cancellation of Deeds of Sale and Purchase in Transfer of Rights

The transfer of rights involving abuse of circumstances has complex consequences because it involves various legal instruments such as Powers of Attorney to Sell, Deeds of Sale and Purchase, and Deeds of Sale and Purchase. Supreme Court Decision No. 106 PK/Pdt/2020 provides a clear example of this. In this case, the Supreme Court declared the Sale and Purchase Deed No. 109/2008 and the Sale and Purchase Agreement No. 45/2008, which were made based on an Absolute Power of Attorney signed under conditions of economic hardship, to be null and void. In its ruling, the Supreme Court emphasised: ‘An Absolute Power of Attorney used to carry out a sale and purchase is a prohibited form of power of attorney, as it constitutes undue influence, namely a situation of economic hardship.’ This ruling shows that the cancellation not only targets the power of attorney as an instrument of transfer, but also all deeds resulting from the exercise of that power, including deeds of sale and deeds of sale and purchase. This legal consideration in the decision emphasises that if the basis of a person's authority to act (in this case, a Power of Attorney to Sell) contains a legal defect because it was obtained through abuse of circumstances (signing under pressure due to economic difficulties), then all legal actions taken based on that authority are considered defective and have no binding legal force, and must therefore be cancelled (Putri, 2021).

4. Conclusions

The considerations of the Panel of Judges in Decision Number 186/Pdt.G/2024/PN Skt demonstrate the comprehensive application of the concept of abuse of circumstances in the case of the cancellation of a transfer of rights originating from a debt-credit relationship. The Panel of Judges identified that all elements of abuse of circumstances were fulfilled, including special circumstances that weakened the position of the Plaintiffs in the form of psychological pressure due to criminal reports and financial incapacity, an imbalance of power between the parties both economically and psychologically, the Defendant's active exploitation of these circumstances through criminal reports and the Power of Attorney to Sell, the lack of free will in the formation of the agreement, and the conflict with the values of propriety, justice, and humanity as reflected in the disparity between the sale value of the disputed object and the principal debt. The judge emphasised that the signing of Powers of Attorney to Sell No. 08 and No. 09 dated 26 March 2024 contained defects of will and violated Articles 1178 and 1470 of the Civil Code as a form of prohibited bedding clause, so that the deed must be declared invalid and without binding legal force (Riansyah et al., 2022).

Through Comparative Judicial Studies, this line of research is highly relevant for mapping how judges apply doctrines that are not explicitly regulated: Comparison of Elements of *Misbruik van Omstandigheden*: Analysing how panels of judges at various levels (District Court, High Court, Supreme Court) and jurisdictions identify and prove the five elements of abuse of circumstances, as found in Decision No. 186/Pdt.G/2024/PN Skt. Variations in the Circumstances Exploited: Comparing cases where abuse of circumstances was based on psychological pressure (e.g., criminal threats or detention, such as Supreme Court No. 3641 K/Pdt/2001), economic weakness (e.g., financial difficulties, such as Supreme Court No. 106 PK/Pdt/2020), and legal ignorance/weakness. Consistency of Legal Consequences: Comparing the legal sanctions imposed (e.g., partial cancellation vs. total cancellation) and the implementation of the accessory principle (cancellation of derivative agreements) in various decisions.

Decision Number 186/Pdt.G/2024/PN Skt, as well as related jurisprudence, has significant theoretical implications for the concept of defects of consent (*wilsgebrek*)* in Indonesian Contract Law, particularly in terms of its expanded scope there are a) Expansion of the Meaning of Classical 'Defects of Consent', b) Shift in Focus from Formality to Substantive Balance, c) Cancellation (*Vernietigbaar*) as a Theoretical Consequence Based on the findings in Decision Number 186/Pdt.G/2024/PN Skt, the following are policy reform recommendations to prevent the abuse of circumstances, particularly in non-bank debt practices and the use of selling power as hidden collateral: (a) Special Regulatory Reforms on Abuse of Circumstances, (b) Prevention of the Use of Selling Powers as Hidden Collateral, (c) Supervision of Non-Bank Debt Practices

The legal consequences of applying abuse of circumstances to the validity of transfer of rights include several interrelated factors. First, agreements containing abuse of circumstances may be requested to be annulled (*vernietigbaar*) by the aggrieved party, with annulment being carried out in whole or in part depending on the extent to which the defect of will affects the agreement. Second, the annulment of the principal agreement implies the annulment of all ancillary agreements (*accessoir*) based on the

principle that the existence of derivative agreements depends on the validity of the principal agreement. Third, a legal defect in a Power of Attorney to Sell obtained through abuse of circumstances results in all deeds made based on that power of attorney, including the Deed of Sale and Purchase, being defective and having no binding legal force because the Notary/PPAT acted based on unlawful authority. Fourth, the invalidity of land title transfers includes the cancellation of certificates issued based on legally flawed deeds of sale, the deletion of records in the land registry by the Land Office, and the restoration of ownership status to the rightful owner prior to the transfer of rights involving abuse of circumstances.

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