LEGAL ANALYSIS ON THE CONSTRUCTION OF MEIKARTA PROJECT
FROM THE LENS OF CONSUMER PROTECTION
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Article Abstract
This study examines the legal aspects of the Meikarta project's construction in Indonesia from the perspective of consumer protection. Large-scale real estate development Meikarta has drawn attention because of claims of anomalies and violations of consumer rights. This essay attempts to evaluate the legal environment around the Meikarta project by looking at pertinent Indonesian laws and regulations concerning commercial agreements, consumer protection, and real estate development. Additionally, it assesses any effects on consumer rights and recourse options for impacted parties. With the use of this analysis, the study hopes to advance knowledge of the intricate legal issues pertaining to major construction projects and how they affect consumer protection in Indonesia.

1. INTRODUCTION
1.1 WHAT IS MEIKARTA
Meikarta is a colossal urban development built by PT Lippo Karawaci Tbk in Cikarang, Bekasi Regency which was launched on August 17, 2017.¹ It is located near to the Jakarta-Cikampek Toll Road and Jakarta-Bandung High-speed Railway.² Its development which targets the low-middle class³ was embroiled in controversies due to its negative portrayal resulting from illegal development, corruption, and misconduct. This mega-project was claimed to be one of the most ambitious property development projects of Lippo Group.

According to the Chairman of Lippo Group, this project was already being planned since 2014 and had seen its development started since January 2016. The initial plan of the project was to build 100 apartment buildings, 10 international-standard hospital and medical facilities, mall, and central business district, research center, industrial complex, more than 150 education facilities, opera hall, and many other facilities on 1.5 million hectares of land, that was expected to absorb 65,000 workers and provide housing for 2 million inhabitants.\(^4\) Massive promotion strategies were carried out by Lippo to attract buyers for the residential cluster, utilizing mass media to sell the apartments for Rp127 million/unit (which successfully gained 16,800 buyers in one day, seeing 99,300 units sold in just a couple of days after its launching).\(^5\) The cost for the marketing promotions at that time reached Rp1.5 trillion, making Meikarta one of the biggest advertisers in 2017.\(^6\)

**1.2 TIMELINE OF MEIKARTA**

**1.2.1 August 2017 - Provincial Government of West Java stopped the project**

The developer of Meikarta claimed that this project had already got the permission for 350 hectares of land, which was enlarged to 500 hectares. But in August 2017, Vice Governor of West Java Deddy Mizwar asked Lippo Group to stop the project temporarily due to the recommendation clearance from the Provincial Government, which only allowed for the use of 84.6 hectares of land for the development of Meikarta.\(^7\)

**1.2.2 May 2018 - Sued for Bankruptcy**

Mahkota Sentosa Utama (MSU), the developer of the mega project Meikarta and a subsidiary company of PT Lippo Cikarang Tbk, was being sued for bankruptcy by its two vendors, that is PT Relys Trans Logistic and PT Imperia Cipta Kreasi.\(^8\)


The registration of the case was conducted on May 24, 2018, to the Central Jakarta Commercial Court (Case Regist. 68/Pdt-Sus-PKPU/2018/PN Jkt.Pst. In the petitum, the plaintiffs asked the court to declare the status of the defendant as Temporary Suspension of Debt Payment (Penundaan Kewajiban Pembayaran Utang - Sementara/PKPU-S) with all the legal effects entailed. The plaintiffs also asked the court to put in place 6 (six) people as officials and receivers in the process of suspension of debt payment of PT MSU. The court rejected the lawsuit, under a legal consideration that there was no enforceable contract existed between parties that create a legal relationship of PT MSU being indebted to the vendors.

1.2.3 May 2018 - Subcontractors being reluctant to continue the project
The Contractor of the mega-project Meikarta, PT Total Bangun Persada Tbk, asked the subcontractors to temporarily stop the development.9

1.2.4 October 2018 - Corruption and Bribery Case
The Anti-Corruption Commission (KPK) conducted a sting operation (Operasi TangkapTangan/OTT) in the Bekasi Regency which resulted in the arrest of several government officials of Bekasi Regency, including the Regent, Neneng Hassanah Yasin.10 The officials were indicted for receiving bribes totaling seven billion rupiah, in expense of giving the permission and allowing the construction of Meikarta to be continued. The Commission also arrested the Operational Director of Lippo Group Billy Sindoro for bribing the officials.

1.2.5 December 2022 - Complaint by the customers
Meikarta Customer Care Association (Perkumpulan Komunitas Peduli Konsumen Meikarta (PKPKM)), whose members consisted of 100 buyers of the apartment units filed their complaints to the House of Representatives (DPR) on Monday, December 5, 2022.11 The Association suspected the developer (PT Mahkota Sentosa Utama) doing the act of bad faith in building the apartment, refunding the money of the buyers, or paying the compensation for the material losses suffered by the customers related to the purchase of the units in the Meikarta Apartment.

1.2.6 December 2022 - PT MSU filed a civil lawsuit against PKPKM

PT MSU filed a civil lawsuit against 18 members of the PKPKM to the West Jakarta District Court, (Regist. No. 1194/Pdt.G/2022/PN Jkt.Brt).

1.2.7 February 2023 - Investigation launched by House of Representatives (DPR)

In a hearing conducted on February 13, 2023, the officials of Meikarta disclosed the data before the Commission VI members of the House of Representatives, that the total of apartment units ordered only 18,000 units, fell short of the 100,000 units target. From these numbers, only 4,200 units have already been handed over to the buyers since the Suspension of debt payment (PKPU) issued in 2020. On February 14, 2023, 21 members of the House of Representatives conducted an official field inspection of the Meikarta megaproject, responding to the complaints of the customers. Vice Speaker Sufmi Dasco Ahmad who led the investigation told the public that there were around 130 customers who wanted to get a refund for the purchases.

2. RESEARCH METHODOLOGY

The research methodology uses qualitative normative legal methods with secondary data, meaning that it explores and provides deeper insights into real-world problems. The qualitative research method gathers participants experience, perception, and behavior. It answers the hows and whys instead of how many or how much. This approach helped to explain the complexities of the case and provide a comprehensive understanding of the legal aspects involved. Qualitative normative legal research methodology involves interpreting and analyzing legal principles and norms to understand their application in real-life situations. The methodology involves a comprehensive analysis of legal texts, relevant legislation, case law, and other legal sources to derive insights and conclusions. Its aim is to provide a theoretical understanding of the legal framework surrounding a particular issue or case. The analysis involved a thorough examination of Law No. 8/1999 on the Consumer Protection and related regulations to comprehend the legal framework concerning the Meikarta case.

14 Steven Tenny; Janelle M. Brannan; Grace D. Brannan. *Qualitative Study*, StatPearls, Treasure Island(FL), 2022, [1] accessed on 19 December 2023
Secondary data plays a crucial role in the methodology of qualitative normative legal research. It refers to information and data that already exist and have been collected by others for different purposes. This paper uses secondary data sources such as relevant literature on the discussed topic, including legal literature (law books) written by influential experts (de hersender leer), were utilized. Scholars' opinions, legal journals, non-legal literature, and internet articles were used to gather relevant information and support the analysis. By examining the legal text and precedents, researchers can determine the legal basis for the case of Meikarta.

3. DISCUSSION

Meikarta is a giant project developed by Lippo Group through its property business wing, PT Lippo Cikarang Tbk (LPCK) on an area of 500 hectares, or 447 hectares to be precise. Meikarta is a land development project that aims to boost Indonesia's economic growth. Unfortunately, this project did not go as planned, and there were several cases showing actions that were very detrimental to customers. As property development becomes more common in Indonesia, there is a lot of competition for buyers. The development of efficient and thoughtful strategies for property sales is affected as a result. The utilization of the exhibit technique known as pre-project selling has been carried out since the planning stage of Meikarta property improvements (Saraswita, 2019).

In apartment sale and purchase transactions between developers and consumers through pre-project selling, there are usually problems related to down payments between consumers and developers. In practice, the developer only makes a booking letter or preliminary letter, without making a binding deed of sale and purchase agreement. Developers tend to choose to use standard agreements that give them full power to determine the contents of the agreement. This can result in consumers being constrained in the use of the agreement because they have no room to negotiate. Problems can arise when consumers want to claim their rights, but cannot do so because the developer has not fulfilled its obligations. Buyers do not have a strong bargaining position and are often not involved in determining the contents of the agreement made by the developer (Az'zhara, 2019).

According to Subekti, one of the most important pillars of contract law is the principle of good faith in Article 1338 paragraph 3 of the Civil Code. It authorizes the court to supervise the implementation of a contract so that decency and justice are not violated. This means that if any party violates the sense of justice (recht gevoel), the judge is authorized to cancel the agreement. So that the implementation of the contract does not violate the existing standards of decency and fairness, the concept of good faith requires decency and fairness in the implementation of the contract (Syaifuddin, 2012). Lippo Group as a developer has marketed thousands of residential apartments without having the necessary
permits to build areas related to spatial and environmental planning. This shows Lippo Group's inconsistency in fulfilling licensing requirements before marketing. In fact, developers should have an in-depth understanding of the relevant legalities and licenses, as this information is very important for potential customers. An agreement should contain obligations and benefits agreed by both parties, where both agree to fulfill the agreed achievements in the matters of the agreement. The substance of the agreement is determined based on the agreement of the parties, so that both have good intentions to comply with the agreement. In the event that one of the parties fails to fulfill its obligations, it will be subject to sanctions in accordance with the arrangement of the understanding. Agreement is one of the sources of commitment that occurs in buying and selling. In that context, commitment is the basic phase of the purchase agreement and exchange. Article 1313 of the Civil Code provides an explanation of the definition of an agreement, which states that "an agreement is an act by which one or more persons bind themselves to one or more other persons." As a Meikarta consumer, there should be rights that are owned in this case, especially the right to obtain complete and precise information from the developer regarding the legality of the project and licensing.

Default is the inability to fulfill obligations in an agreement, be it in terms of time, method of implementation, or even the inability to carry out the agreement at all (Harahap, 1982). If one party fails to carry out its obligations in accordance with the agreement or law, this is called a default. Default can be done with or without intention. If it occurs unintentionally, it can be caused by the inability to fulfill the obligation or due to certain circumstances that force not to fulfill the obligation (Miru, 2007).

On January 27, 2021, the Cikarang District Court has made a decision regarding the land civil dispute between Meikarta and consumers who feel aggrieved. In the decision, there is a legal subject who is one of the plaintiffs in the land civil dispute between Meikarta and aggrieved consumers, namely Ir. Djuara Pirmaton Siahaan. He is one of hundreds of Meikarta consumers who feel aggrieved because Meikarta did not fulfill its obligations as an apartment project developer. So PT Mahkota Sentosa Utama, as the developer of the Meikarta project, was registered as the defendant. The plaintiff had signed two separate agreements to purchase two different units from the Defendant on September 3, 2017. However, the defendant did not provide a physical copy of the terms and conditions of the agreement (house rules), as stated in the agreement. In addition, the defendant did not fulfill the marketing and construction requirements of the apartment building, as set out in Law No. 20 of 2011 on Flats. In building flats, Law No. 20 Year 2011 stipulates the rights and obligations of developers. According to Article 42 paragraph (2), developers are required
to provide buyers with information on the certainty of space allocation, land rights, status of tenure of flats, development permits, and guarantees from guarantor institutions for development. However, the Defendant did not have these requirements. This is also contrary to Article 43 paragraphs 1 and 2 which states that PPJB signed in front of a notary can be used for the sale and purchase of flats before the construction is completed. However, it must fulfill certain conditions, such as land ownership status, IMB ownership, availability of infrastructure, facilities and public utilities, minimum 20% development, and agreed matters. As a result, the Plaintiff did not get certainty over the purchase of the two apartment units. Although the Plaintiff was a very good faith consumer, he still had not received the rights to the apartment unit that he had ordered and paid for in full with three terms. This can be seen from the inability of the buyer to guarantee that the rights they should receive are in accordance with the agreement that has been established (Krisno et al., 2015). Related to the default case in Meikarta, where the developer cannot fulfill its obligation to provide apartment units and other rights to buyers. Consumers have the right to claim compensation from the developer as a business actor if the developer violates the previously agreed Sales and Purchase Agreement and harms consumers. Cancellation of the agreement, fulfillment of the agreement, payment of compensation, cancellation of the agreement with compensation, and fulfillment of the agreement with compensation are all consequences that may arise from default lawsuits (Ramelan, 2014).

Law No. 8/1999 on Consumer Protection emphasizes the protection of consumer rights, guarantees legal justice for consumers, and provides a guarantee of legal protection for consumers who generally face greater risks than business actors. The freedom of the buyer as mentioned in Article 4 of Law Number 8 Year 1999 on Consumer Protection is as follows:

a) The right to use goods and/or services comfortably, safely, and protected;

b) The right to choose goods and services and obtain them in accordance with the promised exchange rate, terms and guarantees;

c) The right to accurate, unambiguous, and correct information about the provisions and guarantees of goods and/or services;

d) The right to have thoughts and complaints about the product or service used heard;

e) The right to representation, protection, and efforts to resolve consumer protection disputes, protection, and appropriate consumer protection dispute resolution efforts;

f) The option to obtain customer directions and instructions;

g) The right not to be treated unfairly or dishonestly when served or treated;

h) The right to compensation in the event that the goods or services received are not
in accordance with the agreement or are not provided in a manner that is consistent with the agreement or not provided in the way it should be;
i) Rights regulated by other laws and regulations. These rights protect buyers related to the sale and purchase of commercial apartments in the event that the developer as a business manager cannot carry out the terms of the agreement.

The responsibility of the developer or developer is regulated in Article 7 of the Consumer Protection Law (UUPK), which includes the following Consumer Protection Law (UUPK), which includes the following:

a) discrimination;
b) The goods or services made or sold must meet applicable standards.
c) Buyers have the right to evaluate and trial specific products or services, as well as to obtain warranties on goods or services, products or services, as well as to obtain guarantees for the goods they have purchased;
d) Consumers are entitled to compensation if they suffer losses due to the use of goods or services that are not in accordance with the agreement.

Article 9 of UUPK prohibits business managers (developers) from doing the following:

a) Offering, making, or promoting goods or services in a way that is which is not true and gives the impression as if:
b) Goods may meet certain requirements or have a price, style or fashion, quality standards, characteristics, history, or special uses.
c) The product appears to be in good condition or has never been used.
d) As if the product or service had or was provided by sponsorship, approval, special equipment, special advantages, working characteristics, or special accessories.
e) The product or service comes from a company that has approval or is affiliated with the sponsor.
f) The product or service is obtainable.
g) The product is free from hidden defects.
h) The product is part of a specialized product.
i) The product comes from a specific area.
j) The product or service may affect the reputation of other products or services directly or indirectly.
k) Using words that go beyond and full description of safety, absence of danger, and without risk or side effects.
l) Promising something that is not clear.
m) The products or services in section (1) are not permitted to trade on those mentioned above.

n) Business managers in violation of the provisions in section (1) above are not permitted to continue the business to market, promote, and advertise related goods or services.

The agreement of the parties can reveal the existence of legal ties between legal subjects in the context of civil law. With the development of understanding, the meeting will definitely fulfill their commitments and obtain the agreed rights. However, if one party neglects to carry out the agreed responsibilities, the rights of the other party will be violated. As a result, the party who suffers a loss is entitled to legal protection in such situations.

The Consumer Dispute Settlement Body (BPSK) can impose administrative sanctions in the form of compensation in accordance with Article 60 Paragraph 1 of the Consumer Protection Law in the amount of Rp.200.000.000,- to the manager of the hotel. .000.000,- to the offending business manager in the form of: a) Refunds, replacement of the same products and services, health care, or compensation for losses experienced by buyers are not acceptable forms of compensation for companies to offer to buyers. b) Losses caused by the actions of advertising companies related to the making of advertisements are contained in Article 20. c) If the business manager is unable to provide after-sales guarantee of spare parts and maintenance, as well as pre-determined guarantees, then companies trading in services are also applicable. What is meant by "sanctions that can be imposed" is the punishment that can be imposed by the court in response to a public prosecutor’s demand for an offense committed by the company or its management (found in Articles 25 and 26).

Consumers do not expect criminal sanctions. Instead, despite the fact that buyers have the right to file claims for losses caused by violations or defaults, they anticipate receiving more compensation for their losses. The application of the Consumer Protection Law does not actually guarantee the fulfillment of meikarta consumer rights, this is due to the lack of effective law enforcement. This means that if there are no adequate enforcement actions against violations of consumer rights in the Meikarta case, consumers may not be able to obtain the compensation or remedies they claim in accordance with existing laws. On the one hand, the civil dispute in the Meikarta land case is a complex dispute, which often involves many parties and has complex legal aspects. The resolution of such disputes can take a long time and require complicated litigation, so the fulfillment of consumer rights can be hampered or delayed.
In addition, they handle standard provisions, refer violations to public prosecutors, receive customer complaints, summon companies suspected of violations, call witnesses, and impose administrative penalties on non-complying companies (under Law No. 8/1999). Meikarta developers must also comply with the provisions of Law No. 20/2011 on flats. Developers who do not meet the requirements may be subject to criminal sanctions and fines under the Flats Law. Meikarta in this case failed to fulfill consumer rights due to significant delays in construction, unclear land status, lack of information transparency, and lack of adequate compensation. Consumers experienced delays in property ownership, legality uncertainty, confusion due to non-transparent information, and dissatisfaction due to lack of proper compensation.

The juridical study of the Meikarta Mega Project problem is based on Bekasi Regency Regional Regulation No. 12 of 2011 concerning regional spatial plans. Meikarta violates the function of the area for development. The Bekasi District Government issued a location permit and land use designation permit (IPPT) for 84.3 hectares. The land prepared is around 130-140 hectares and will grow to 500 hectares with an investment value of 278 trillion. Building permits have not all been obtained by the Meikarta project, because they are not in accordance with Bekasi's regional planning.

Violating Article 43, the Lippo company as the founder of the Meikarta mega project has violated the rules set by the Bekasi Regency Government No. 12 of 2011 concerning the Bekasi Regency spatial plan. According to article 43 paragraph (1), it explains that space utilization is carried out in accordance with zoning provisions, licensing, provision of incentives, disincentives and imposition of sanctions. These provisions were violated by the Meikarta project in the development implementation process. Based on the zoning of the aforementioned in Article 43 paragraph (1), the construction of the Meikarta project is not in accordance with the provisions of the designated area. The development is located in Cikarang Selata District and the development land is included in Cibatu Village, Sukaresmi Village and Serang Village. The Serang village area is an industrial area, half of which is used for industrial activities. The establishment of Meikarta in the village will change the function of the industrial area that has been determined according to the spatial plan. The Meikarta town will later be used as a settlement, contrary to the applicable zoning provisions, especially in Serang Village. According to article 45 paragraph (2), changes in the function of the area can only be carried out a maximum of 25% of the designated area. The Meikarta project in this case violates this provision, because it changes the function of the industrial area in Serang Village into an area for settlements, changes the agricultural area into settlements and changes the function of protected forests in Sukaresmi Village into residential areas, because the development of Meikarta with a total
land area of 500 hectares requires a lot of land acquisition, so it does not rule out land conversion. Based on the provisions of article 45 paragraph (3) concerning urban areas, the construction of the Meikarta project has changed the area determined by the Bekasi Regency Regional Government, because Meikarta is not included in the 2018/2019 regional spatial plan (RTRW). The land used for project development is administratively included in the RTRW, but the development of the Meikarta City is not part of the Bekasi Regency RTRW. According to Article 45 paragraph (4), it explains that development cannot be outside the designated area. This provision is violated by the Meikarta project, because the development land area exceeds the provisions.

According to Article 55 paragraph (1), Lippo employees were proven to have committed acts of bribery against the Regent of Bekasi Regency for the 2017-2022 period and the Head of the Bekasi PUPR Office, the Head of the Bekasi Regency Government Fire Department, the Head of the Bekasi Regency Investment and One-Stop Integrated Services (DPMPTSP) Office and the Head of the Bekasi PUPR Office. The act of bribery aims to obtain a full building construction permit.

Based on Law No. 20 of 2011 concerning flats, that Meikarta has started selling apartments before all licenses and project construction are completed. This action violates article 40 regarding sales made if all licensing and construction processes are completed. The sanctions obtained from this violated rule are a maximum fine of 1 billion and a maximum imprisonment of 5 years. Law No. 32 of 2009 concerning environmental protection and management. Based on this, Meikarta in the development did not take care of the environmental impact analysis permit, contrary to article 36 that every business activity is required to have an AMDAL. Failure to do so will result in criminal sanctions of imprisonment for a minimum of 1 year and a maximum of 3 years and a fine of at least 1 billion and a maximum of 3 billion. According to Law No. 1 Year 2011 on Housing and Settlement Areas, the Meikarta project violated the area permit granted to the project. Development provisions violate the function of spatial utilization. The transfer of function of the area can have a major impact on the established regional spatial plan. Based on Law No. 20 of 2001 on the Crime of Corruption, the Meikarta project not only violates Bekasi District Regional Regulation Number 12 of 2011 concerning the Bekasi district spatial plan, but also violates Law No. 20 of 2001 on the Crime of Corruption. In particular, it violates Article 55 paragraph (1) of the Criminal Code that people who participate in acts of bribery and corruption, then the perpetrators of bribery and corruption will face the same criminal penalties.
4. CONCLUSION

The reason why consumer protection laws are important is due to the fact that they act as a security for consumers. It ensures the safety of the production and meet the standards of quality. These laws hinder businesses from taking advantage of buyers, thus helping consumer welfare by ensuring that businesses are not giving misleading information and can be held responsible for their actions. Lastly, in case of an unwanted situation, where something goes wrong, consumer protection policies, laws, and regulations offer the buyers an opportunity to voice their concerns, get help to find resolution of the problem, and hold the business accountable. Consumer protection is not only beneficial for consumers but also for businesses. When businesses have a good reputation for treating consumers fairly and selling reliable products, they gain a good reputation and develop relationships that can turn attracted consumers into loyal customers. Reliability is a major factor for consumers to feel protected, so responsible businesses are more attractive for potential buyers to spend money on.

The results of the discussion show that a juridical investigation into the Meikarta megaproject issue based on Bekasi Regency Regional Regulation No. 12 of 2011 concerning the 2018/2019 Regency Spatial Plan shows that the Bekasi Regency development permit covers 84.3 hectares for settlements, while the remaining 415.7 hectares of land is an industrial area. According to Articles 43 and 45, the Meikarta development violated the regional space utilization, area functions, and provisions. Additional violations of the Corruption Crime Law Number 20 of 2001 include bribery of the Bekasi Regent for the 2017-2022 period, the Head of the Bekasi Regency PUPR Office, the Head of the Bekasi Regency Government Fire Department, the Head of the Bekasi Regency Investment and One-Stop Integrated Services (DPMPTSP) Office, and the Head of the Bekasi Regency PUPR Office to obtain full development land permits. According to juridical research, the issue of the Meikarta mega project, which is regulated by Bekasi District Regional Regulation Number 12 of 2011 concerning the district spatial plan, is a problem that must be resolved. Bekasi in 2018/2019, it is hoped that for people who will carry out development, licensing from related agencies is necessary and mandatory because building permits are regulated in law and for the government in providing services to the public related to licensing must be able to avoid bribery, in order to realize clean public services.
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