



Metaverse Land Purchasing in Agreement Legal Perspective

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Abstract

In Indonesia, the term metaverse is widely discussed when many people buy metaverse land. On the Nextearth.io site, a number of virtual lands on a digital map of the location of a number of important areas or assets in Jogjakarta have also been sold for the value of crypto currency. This is a little different because the land purchased is not land in the real world but land that only exists in the virtual world. the research objective is the mechanism and validity of land sale and purchase agreements in the metaverse. This research is normative legal research using a normative juridical method using a law approach as a source of law and supporting literature. Purchase of land in Metaverse can be done by accessing the website which is a platform used for virtual property transactions. If reviewing the agreement on the purchase of metaverse land, the sale and purchase agreement is valid because it fulfills the legal requirements of the agreement.

1. Introduction

Humans created technology and even humans can't stop the development of technology. In 1992, writer Neal Stephenson used the term "metaverse" in his science fiction novel Snow Crash (King, 2021). An essay that started from imagination has now developed into a reality. Metaverse is a combination of several technological elements such as virtual reality (VR), Augmented reality and video where users "live" in a digital world (Mike Snider, 2022). Metaverse is increasingly known to the public when the technology company Facebook changes its name to Meta and is ready to become the initiator of the metaverse.

In Indonesia, the term metaverse is widely discussed when many people buy metaverse land. Ridi Ferdiana (Dwi Murdaningsih, 2022). Said that the purchase of virtual land in Metaverse has the opportunity to become a promising investment vehicle in the future. Therefore, it is not surprising that people's interest in buying land in the metaverse is increasing.

On the Nextearth.io site, a number of virtual lands on a digital map of the location of a number of important areas or assets in Jogjakarta have also been sold for the value of crypto currency. Some of them are virtual land at the Yogyakarta Agung

Building Complex which was sold for 36.84 USDT, the Vredeborg Fort Museum Complex was sold for 15.17 USDT, and the Bank Indonesia (BI) Representative Office in Jogjakarta was also sold for 6.19 USDT (Antara, 2022).

Article 1457 of the Civil Code states that buying and selling is an agreement in which one party submits an object and the other party pays the promised price. This is a little different because the land purchased is not land in the real world but land that only exists in the virtual world. Based on the explanation above, the problem to be raised is how the mechanism and the validity of the land sale and purchase agreement in the metaverse.

2. Methods

This research is a normative legal research using a normative juridical method using a law approach as a source of law and supporting literature. In addition, as a normative legal research, this research can include research on legal principles, synchronization of legislation, both vertically and horizontally, legal systematics, positive legal inventory, including efforts to find “inconcreto” laws (Aristeus, 2018).

3. Results And Discussion

3.1 Land Purchase Mechanism on Metaverse

The actual purchase of metaverse land does not occur in the real world, but takes place in the virtual world. Before we get into the buying and selling mechanism, it's a good idea to first discuss the medium of exchange or currency used in this transaction. The currency used is not conventional currency but uses virtual currency known as crypto (Crypto Currency). Crypto currency is defined as decentralized digital money used on the internet. (Ashford, 2022) Crypto has many types including bitcoin, ethereum, litecoin, ripple, stellar, dogecoin, cardano, eos, tron. SAND, MANA and USDT.

The use of crypto as a payment in Indonesia is not recognized because of Law Number 7 of 2011 concerning Currency which only allows Rupiah as the only legal currency in Indonesia. However, this does not reduce the use of cryptocurrencies in Indonesia. Then, the Ministry of Trade through the Commodity Futures Trading Supervisory Agency (Bappebti) issued Commodity Futures Trading Supervisory Agency Regulation Number 7 of 2020 concerning the Establishment of a List of Crypto Assets that can be Traded in the Physical Crypto Asset Market. Thus, crypto is not a legal tender but rather a crypto asset that can be traded on the Crypto Asset Physical Market.

Purchase of land in Metaverse can be done by accessing the website which is a platform used for virtual property transactions. Of the many existing platforms, which will be discussed include The Sandbox, Decentraland, and Nextearth. The purchase process begins by accessing a website that is a metaverse platform for example <https://www.sandbox.game/en/> for The Sandbox, <https://decentraland.org/> for Decentraland and <https://nextearth.io/> for Nextearth.

When you start accessing, you will be asked to create an account on the website by entering some of the requested information. Then we can choose which land we will buy. The land is sold using cryptocurrencies such as SAND, Ethereum, MANA and USDT. To be able to get the cryptocurrency, potential buyers must exchange it for a certain price. The exchange rate of conventional currencies against cryptocurrencies fluctuates so it can be concluded that the price of land in the metaverse is also influenced by the value of the crypto currency used. After finding the land you want to buy, the website will direct you to make a transaction and the land can be owned.

3.2 The Validity of the Land Purchase Agreement on Metaverse

An agreement is a bond between two or more parties that is held on the principle of consensuality regarding a certain matter. Based on Article 1320 of the Civil Code, there are at least 4 conditions for the validity of an agreement, namely: 1) Deal; 2) Ability; 3) A certain thing; 4) A lawful cause. The first two conditions are subjective conditions, which relate to the subject of the agreement, and the last two conditions are objective conditions related to the object of the agreement which is agreed upon by the parties and will be carried out as achievements or debts of the parties (Muljadi & Widjaja, 2014: 53). The consequence if the subjective conditions are not met is that the agreement can be canceled or in other words, there must be a party to the agreement who raises an objection and wants to cancel the agreement. However, if neither party wants to cancel the agreement, then the agreement will run as it should. Thus, it can be canceled, meaning that the choice is in the hands of the parties. Meanwhile, if the object conditions are not fulfilled, the agreement is null and void or in other words, the agreement is considered to have never existed.

Agreement (*toesteming*) is the conformity of will between one or more people with other parties (Sopamena, 2021: 2). The will match here is the will of the platform to sell and the will of the buyer to buy the land. The agreement occurs through electronic media when the buyer presses a button which causes the sale and purchase of land in the metaverse to occur. This process is carried out without going through negotiations between the parties. Negotiation is defined as an attempt to reach an agreement. In negotiations, usually the price is negotiated (Sopamena, 2021: 2). In the land sale and purchase agreement in this metaverse, the buyer cannot bargain the price because the price of the land has been set by the seller so that the buyer can only decide whether to buy a certain plot of land or not (take it or leave it).

Article 1321 of the Civil Code stipulates that if in an agreement there is an error, coercion or fraud, it means that in the agreement there is a defect in the agreement between the parties and therefore the agreement can be canceled. Defects in the agreement or better known as defects of will are divided into coercion (*dwang*), misguidance or error (*dwaling*) and fraud (*bedrog*). Later in its development, another defect of will is also known, namely the abuse of circumstances (*misbruik van omstandigheden*) (Satrio, 1995: 268).

Coercion implies an act that causes a person to feel afraid that both himself and his wealth are threatened with a real loss. Mariam Darus Badruzaman

(Badruzaman, 2001: 65) states that coercion is physical violence or threats with something permitted by law that creates fear so that he makes an agreement and that coercion actually creates a fear for the person who accepts coercion. Mistakes or errors contain the meaning of unintentional or oversight both on the object of the agreement and on the subject of the agreement.

Fraud occurs when one party intentionally provides false information and even by deceit, the deceiving party engages the other party actively so that the other party falls into deception and is willing to make the agreement (Panggabean, 2010). And the last is the abuse of circumstances which implies an act committed by one party who takes advantage of an unbalanced position with the aim of taking material advantage.

The ability to act is the ability to perform a legal act. Legal acts are defined as actions that result in legal consequences (HS, 2016: 165). Based on Article 1330 of the Civil Code, the adult age is 21 years or already married and people who are considered incompetent are children who are not yet 21 years old and people who are placed under guardianship. Buyers in making transactions are required to have a bank account that is used to exchange conventional currency into crypto currency, while the age limit requirements for account opening are not the same as the skills requirements stipulated in the Civil Code. However, if the buyer is more than 21 years old or married and is not under guardianship, then the requirements for skills in buying and selling land in the metaverse can be fulfilled.

In various literatures it is stated that the object of the agreement is achievement (HS, 2016). The achievement here is land ownership in the metaverse. Even if only in cyberspace, this land is still an object (*zaak*) which even though it cannot be seen directly, but in the form of rights to an object in the sale and purchase agreement that occurs. The land in the metaverse can be located, measured, and the amount determined so that the third legal condition of the agreement, namely a certain matter, has been fulfilled. Article 1320 of the Civil Code does not explain a lawful act (*orzaak*) but in Article 1337 it is stated that an act is prohibited if it is contrary to law, decency and public order. Until now there is no regulation that prohibits the activity of buying and selling land in the metaverse so that this agreement fulfills the requirements for a lawful cause. Even though the payment instrument used is crypto which in fact is not a legal means of payment, crypto can be used as a trading commodity. So that this buying and selling transaction uses trading commodity tools.

Regarding the land sale and purchase agreement in this metaverse, Article 1338 stipulates the principle of freedom of contract where everyone is allowed to enter into an agreement with anyone regarding anything as long as it is not prohibited by law. The sale and purchase agreement for land in this metaverse can be made by the buyer and the platform that provides metaverse services.

4. Conclusion

With the rapid development of technology, buying and selling land in the metaverse is increasingly being carried out. This is considered not only as a trend but

also for investment reasons. By visiting the website belonging to the Metaverse platform, people can buy the land they want using crypto as a means of payment. If reviewing the agreement on the purchase of metaverse land, the sale and purchase agreement is valid because it fulfills the legal requirements of the agreement.

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