

INTERVIEW SUMMARY

T15 (AG – PGR Co.) | Digital Property Industry Practitioner

The founder’s motivation for establishing PGR emerged from his early exposure to blockchain technology while helping a former supervisor secure a crypto exchange license. Through this experience, he observed several structural inefficiencies in traditional investment distribution channels, including distribution restrictions in mutual funds, favoritism among investment managers and distributors, and limited access for retail investors. Conversations with potential users further revealed that rental yield is the most intuitive and relatable metric for Indonesian retail investors. Inspired by successful tokenization and REIT models in countries such as the United States, Korea, and Japan, he identified an opportunity to merge rental-income-producing properties with blockchain to democratize investment access.

PGR’s business model centers on directly purchasing properties—rather than taking them on consignment—and subsequently tokenizing them. The company primarily focuses on Bali villas and low-end apartments, given their relatively high yield and strong demand profiles. The platform attracts a substantial proportion of first-time investors, many of whom are cautious due to the prevalence of scams in the broader financial market. Despite this skepticism, PGR has experienced rapid traction, reaching over 150,000 users with an exceptionally high NPS of 89 and approximately 2,000 foreign investors.

From a technological standpoint, PGR positions blockchain as a backend component in order to maintain a familiar Web2 user experience. This “Web 2.5” hybrid model is built on the Polygon network, selected for its low transaction costs, EVM compatibility, and long-term ecosystem stability. The platform employs ERC-1155 smart contracts to represent fungible fractional property tokens, as this standard supports multi-token structures within a single contract, reduces gas consumption, and suits fractionalized real estate models better than ERC-20. PGR also uses Tatum as its Blockchain-as-a-Service provider, enabling custodial wallet management, a Gas Pump architecture (where a sponsor wallet pays all network fees), and access to pre-audited smart contracts. At present, tokenization remains closed-loop, solely recording ownership

without enabling on-chain financial settlement. Nevertheless, ownership changes are reflected on-chain nearly instantaneously.

Legally, PGR addresses the limitation of Indonesia's land registry—which allows a maximum of ten registered owners per property—by using a Fractional PPJB (Sale-Purchase Binding Agreement) or Token Agreement. This contract is legally enforceable under Indonesian civil law and defines each holder's rights, including fractional ownership representation and entitlement to rental income. Properties are fully owned by PGR's corporate entity and then fractioned through these agreements. The company operates under the direct supervision of OJK, which initially required extensive explanation and education due to its limited familiarity with blockchain and smart contracts. To remain aligned with existing DIRE/REIT structures, PGR frames tokenization as incremental rather than radical innovation. The company is exploring an internal stablecoin—supported by escrow and auditor attestation—to represent user balances more reliably on-chain.

Security and data protection are treated as core pillars. PGR implements secure coding practices, including proper sanitization, type safety, and reduced attack surfaces, supported by ISO 27001 practices, an application-level firewall, and DataDog monitoring. Because wallets are custodial, users are dissuaded from publicly sharing wallet addresses, minimizing privacy and traceability risks inherent to public blockchains. Tatum's custodial infrastructure helps avoid the operational risk of maintaining thousands of private keys internally.

Several major challenges persist. Indonesia lacks international reference models that match its regulatory, legal, and market context. Property supply remains constrained because the company only acquires high-yield assets—typically requiring yields of at least 10%. Additionally, regulatory engagement with OJK is time-consuming due to limited regulator literacy in blockchain concepts. Finally, property management quality across Indonesian third-party providers remains inconsistent, requiring significant oversight.

Operationally, PGR enforces a strict valuation formula: the maximum acquisition price must equal the annual rental revenue divided by 10%. This approach is considered more disciplined and market-reflective than conventional KJPP appraisal methods. To build investor trust, PGR offers buyback guarantees and deploys a mixed operational model combining internal teams with third-party managers such as Travelio, Bali Superhost, and TJM. The company aims to raise property management standards by improving maintenance cycles, refurbishment quality, and asset longevity.

PGR's ecosystem involves collaboration with notaries, KYC service providers, payment gateways, and property managers in Bali. OJK has shown growing interest in potentially enabling open-loop listing—such as trading on exchanges—though PGR continues to prioritize AML/KYC compliance before expanding into higher-risk environments.

Looking ahead, the founder believes that tokenized property will become more mainstream than mutual funds and even cryptocurrency among retail investors within the next five years. Global political shifts, particularly in countries adopting pro-crypto policies, are expected to accelerate adoption. Dubai is viewed as the emerging global center for digital assets and tokenized property. Indonesia may even leapfrog Singapore in this domain due to its large retail investor base, strong property-led cultural preferences, and increasing acceptance of fractional ownership models.

Beyond business growth, the founder emphasizes a broader social mission. He is determined to avoid the mistakes seen in previous digital industries—such as Indonesia's livestreaming sector, which was derailed by exploitative content. PGR commits to transparency in purchase prices, legal fees, renovation expenses, and operational details. The company prioritizes investor education and avoids speculative or hype-driven behavior. In Bali specifically, PGR aims to address chronic issues such as tax underreporting, weak documentation practices, and excessive dependence on notaries who often operate without adequate legal expertise. Tokenization, in this context, serves as a vehicle for formalizing.

Governance and improving accountability in an otherwise informal and loosely regulated market.

For young founders entering the blockchain sector, the founder stresses that blockchain should never be treated as the product itself—it is merely a tool. Sustainable innovation requires solid business fundamentals, hybrid governance models that avoid extreme decentralization, and a focus on solving real-world problems rather than chasing hype cycles. With blockchain hype diminishing globally, he believes this period represents an opportunity for genuine innovators to emerge.

R10 (HB – CAM Co.) | Investment Management Practitioner

The expert began by explaining the fundamental nature of unitization in investment vehicles. In conventional mutual funds, the unit concept is standardized—often set at IDR 1,000 per unit—derived directly from NAV calculations. In DIRE (Indonesian REITs), however, the denomination can vary across products, yet the principle remains the same: units function as fractional entitlements of ownership or income. From this perspective, he emphasized that tokenization does not introduce a new economic structure; rather, it acts merely as an alternative distribution mechanism for representing fractional ownership. The logic behind ownership, entitlement, and valuation remains unchanged regardless of whether the vehicle is tokenized or not.

Regarding tokenization itself, the expert clarified that it is essentially a digital form of property representation, comparable to issuing digital certificates or transforming PPJB/REIT units into an electronic format. The decision to sell tokens through a proprietary platform or an NFT marketplace is merely a matter of selecting a sales channel, not a reinvention of the underlying product. As such, tokenization does not and cannot solve the fundamental challenges of real estate investing, particularly those related to asset quality, rent-generating capacity, and pricing–valuation discrepancies. The real constraints are economic—not technological—making blockchain secondary to sound asset fundamentals.

When discussing the outlook of Indonesia's property market over the next three to five years, the expert stated that no major structural shifts are expected. Younger generations increasingly view homeownership as optional rather than essential, reducing long-term demand pressure. Moreover, the only significantly profitable segment in the current market is raw land acquisition, where gains arise primarily from land appreciation. Completed, income-producing properties tend to exhibit modest profitability unless acquired at substantially discounted prices. Consequently, although property will remain necessary, it is unlikely to become a high-growth investment sector in the foreseeable future.

The stagnant development of DIRE in Indonesia reinforces these points. The expert highlighted that only a limited number of DIRE products are listed, largely because most candidate properties deliver negative NPV. Many assets are considered overpriced relative to their rental income, making them economically unattractive. As an illustration, one mall generating IDR 13 billion per year in gross revenue was offered at a valuation of IDR 110 billion—an imbalance that rendered the investment unjustifiable. This situation is exacerbated by investor behavior in Indonesia, which tends to prioritize expectations of capital gains, whereas DIRE inherently depends on stable income yields. In addition, regulatory requirements further restrict DIRE composition: assets must be operational and income-producing, and they must distribute 90 percent of net operating income to investors.

The expert also clarified the mechanics of DIRE. A DIRE is essentially a fund whose underlying assets consist of income-producing properties. The manager purchases these assets outright, and property owners who wish to retain exposure must repurchase units rather than maintain partial ownership. Daily operations may be delegated to external property managers. Investors contribute capital first; only then does the manager execute property acquisitions. The attractiveness of returns, therefore, depends entirely on property fundamentals: stable yields, fair pricing, and positive NPV.

This leads to what the expert identified as the single greatest limitation to DIRE growth: asset sourcing. Properties that offer high yields, rational valuations, and positive NPV are exceedingly rare in Indonesia. Because such properties form the backbone of any sustainable DIRE, the scarcity of viable assets constrains the industry's ability to expand.

Consistent with this view, the expert argued that tokenization does not address DIRE's core structural problems. Tokenization merely adds another investment "vehicle" or access channel, but fails to resolve the fundamental issues of overpriced assets, low rental yields, weak investor appetite, and misaligned market fundamentals. A structurally unattractive property remains unattractive regardless of whether ownership is represented through tokens, units, or certificates.

Comparing Indonesia with more advanced foreign markets, he noted that tokenization thrives in countries like the United States and Singapore not because of superior technology or regulation but because of healthier asset economics. These markets feature lower but more stable property yields, rational valuations, and narrower gaps between market prices and income-based valuations. Thus, the success of tokenization abroad is driven by economic feasibility rather than technological advantage.

Investor sentiment further weakens the appeal of property-based income products in Indonesia. Even fractional access—whether through DIRE units or tokenized property—does not create compelling demand because retail fixed-income products already offer similar yields of 8–10 percent with greater liquidity, predictability, and regulatory protection. DIRE units, meanwhile, suffer from low liquidity due to limited trading interest and persistent valuation misalignment.

In closing, the expert outlined the characteristics required for an attractive DIRE. A sustainable product should provide a 9–10 percent net annual yield (excluding capital gains), demonstrate positive NPV, and maintain transparent operating income. The properties included must already be income-producing and priced appropriately relative to their revenue potential. While this is difficult under current Indonesian market conditions, it remains feasible if acquisition prices adjust downward.

Ultimately, the expert concluded that tokenization can broaden investor access but cannot replace fundamental economics. The primary challenge is not the lack of innovation in distribution mechanisms but the mispricing of property relative to its income potential. Under present conditions, direct property ownership continues to offer better prospects than DIRE for most investors in Indonesia.

R16 (RK – Blockchain Legal Consultant) | Blockchain Law Practitioner

The expert began by explaining that Indonesian land law is uniquely rigid because land is a non-movable asset registered under a person's name; therefore, every form of acquisition, transfer, or encumbrance must follow highly specific legal procedures. He noted that although tokens could theoretically function as a form of payment—since contract law allows any agreed-upon consideration—the real challenge lies in valuation and taxation, especially when tokens are newly created and lack market references.

From a legal standpoint, he emphasized that digital tokens remain “digital objects” and are not recognized as property rights under Indonesian law, meaning blockchain records do not replace official land certificates nor PPAT-validated transfers. Much of the interview focused on the structure of debt and collateral, with the expert stressing that an enforceable security right (*hak tanggungan*) requires a real loan, a clear repayment obligation, and notarial registration; thus, tokenizing land ownership directly is not feasible, but tokenizing economic rights derived from a properly structured debt agreement is legally workable.

He explained that an SPV could lend money to the property owner, secure the land as collateral, and then distribute economic participation to token holders—while keeping the land title unchanged and legally safe. The expert also warned that many tokenization initiatives risk unintentionally falling into crowdfunding or securities-like activities, which require specific licensing and regulatory oversight. He highlighted the danger of regulatory ambiguity in Indonesia, where unclear classification could expose issuers to fraud allegations despite good intent. Ultimately, he concluded that while tokenization cannot bypass Indonesia's strict

Land law can conceptually reduce investment costs and broaden access if it is built on existing legal mechanisms—secured lending, contractual economic rights, and proper compliance—rather than attempting to replace formal land transfer procedures.

R14 (RD – AIC Co.) | Corporate Legal Practitioner

The expert began by describing the central role of PPAT procedures in Indonesian property transactions, emphasizing that every transfer of land rights—whether sale, inheritance, or grant—must follow a highly structured legal sequence. According to him, the PPAT process is designed to ensure certainty and prevent disputes: the land object must be verified, the buyer and seller must sign an official transfer deed (AJB), and all supporting documents must be fully validated before the transfer can be registered with the land office. He stressed that PPAT is not merely an administrative stamp but the legally mandated gatekeeper ensuring that the transfer complies with spatial, zoning, ownership, and taxation requirements. Any deviation—such as unclear land boundaries, unpaid tax obligations, or mismatched identity documents—can immediately halt the transaction.

He then explained that the same level of structure applies to bank financing, particularly when land is used as collateral. For a loan to be legally secured, the bank must first establish the borrower's debt through a loan agreement, followed by the creation of a separate Deed of Granting Mortgage (Akta Pemberian Hak Tanggungan / APHT) before a PPAT. Only after registration at the Land Office does the mortgage become enforceable and visible in the land registry. The expert highlighted that hak tanggungan provides powerful creditor protection: the bank gains priority rights if the borrower defaults, enabling the creditor to execute the collateral through auction regardless of changes in ownership. Because of this, banks are extremely strict in verifying the authenticity of land documents, checking encumbrances, and ensuring the land has no overlapping claims.

Throughout the interview, he emphasized that the integrity of the transaction lies in sequencing: a debt must exist before collateral can be granted, the APHT must be registered to have legal force, and the underlying land must have complete and clean documentation. He noted that any attempt to “digitize” or “tokenize” property rights must still respect this structure because the legal force comes not from technology but from compliance with PPAT procedures and land registration norms. For him,

blockchain or token-based mechanisms may be used as supporting tools for transparency, but the legally binding transfer of rights and creation of mortgage security will always remain in the domain of PPAT and the National Land Agency (BPN).

Finally, he warned that Indonesia's property regulation prioritizes legal certainty over technological innovation. While he sees potential for digital tools to streamline verification and document integrity, the fundamental steps—due diligence, PPAT deed signing, tax settlement, and mortgage registration—cannot be bypassed. In his view, tokenization may assist in investment participation, but it cannot replace the statutory framework governing how land is transferred, registered, and encumbered in secured lending.

R6 (DT – LPSI Co.) | Commercial Property Consultant

The expert began by outlining developments in the Indonesian real estate market over the past three to five years. During the COVID-19 period, virtually no new residential or commercial projects were launched; developers focused solely on completing projects already under construction. Given that commercial developments typically require five years to build and residential projects take between eight and fifteen months, the halt in new launches created significant pent-up supply. As global financial conditions began to shift—particularly with interest rates in the United States starting to fall—he expects Bank Indonesia to follow with domestic rate reductions. Lower mortgage rates would increase affordability and stimulate residential transactions. Assuming geopolitical and macroeconomic stability, he anticipates that Indonesia's property market will experience a positive upward trend over the next three to five years.

He identified the industrial and logistics sectors as the strongest performers at present. Industrial land—especially warehouse and manufacturing zones—has become highly attractive due to substantial foreign direct investment (FDI), driven by the growth of electric vehicle manufacturers like BYD, nickel and mining companies, and other multinational industrial players. Listed developers holding industrial land portfolios, such as those in Batang or Jababeka, have seen strong income performance because of this demand. In contrast, the residential sector remains moderate but is expected to rise as interest rates decline. Hotels, however, are seen as more challenging. For

residential properties, buyers remain primarily Indonesian individuals, while commercial and industrial land tends to be purchased by corporations, both domestic and foreign.

Discussing the challenges facing investors, he emphasized persistent regulatory uncertainties, especially around zoning and land disputes. Investors may acquire land only to discover later that zoning rules have shifted or that the land is entangled in legal conflicts. Such unpredictability severely harms Indonesia's property market reputation. Developers, on the other hand, struggle with the need for government incentives—particularly tax subsidies such as BPHTB reductions—to stimulate buyer interest and accelerate market activity.

Regarding transparency and market trust, he noted gradual improvement, with more consumers purchasing through established developers. Yet the risk of developers failing to complete projects remains, as evidenced in recent news about delayed or abandoned residential developments. These incidents underscore the continued need for stronger consumer protection frameworks. Although the overall situation is better than in previous years, inconsistencies in project completion affect public confidence.

Turning to digitalization, the expert explained that technological adoption in Indonesia's property sector remains at an early stage. Some companies use AI-driven 3D visualization and real-time construction monitoring tools, while others employ basic chatbots for customer service and post-handover complaint handling. However, these tools are still not fully effective, largely due to limited familiarity among both developers and consumers. The industry is only beginning to explore digital transformation opportunities.

Fractional ownership, he stated, has conceptually existed in Indonesia for some time but has not been facilitated through formal digital platforms. Unlike some international markets where apps enable 100 investors to co-own one property, Indonesia's market remains cautious due to low trust in digital property transactions. Most fractional arrangements occur informally among small groups of acquaintances rather than through structured platforms.

On tokenization, the expert expressed strong agreement that blockchain-based fractional property ownership has significant potential to broaden investment access. Much like buying fractional shares overseas, tokenized property could lower entry barriers and allow wider participation. However, the main barriers lie in legal clarity and regulatory oversight. Because tokenization involves handling investor funds, regulators must establish clear frameworks regarding which authority—OJK, the Ministry of Housing, or Bank Indonesia—will supervise such activities. Critical questions remain unresolved, including what types of companies are eligible to operate tokenization platforms, whether such firms must be listed entities, and what protections are required to safeguard consumer funds if projects fail or platforms disappear.

Looking ahead, the expert believes that blockchain and smart contract-enabled property investment may gain traction in large cities like Jakarta, particularly among younger, internationally educated buyers who are more receptive to technological solutions. Nevertheless, widespread adoption will take at least five to ten years due to demographic realities: most property investors in Indonesia are over 40 and less technologically inclined. Market readiness will depend on generational shifts as younger consumers accumulate greater purchasing power.

At the organizational level, the expert shared that his company is still in the early stages of evaluating AI and digital solutions. They are currently exploring potential applications in customer service, post-sales support, or direct property purchasing workflows, drawing inspiration from commercial property agencies abroad that already use automated lead-capture and smart contract systems. However, concrete implementation plans are still being assessed.

In closing, he emphasized the need for clear and comprehensive regulations that protect both consumers and developers. For tokenization or fractional ownership platforms to gain legitimacy, the government must define rules governing investor protection, fund management, project delivery obligations, and anti-money laundering compliance. The expert also stressed the importance of market education and ethical practices, noting that his company consistently promotes transparency, proper documentation, lawful payment processes, and adherence to applicable tax and regulatory requirements to avoid misuse of property transactions for illicit purposes.

R12 (HH – PT AS) | Senior Property Development Practitioner

The expert began by describing significant shifts in property investment trends over the past five years, particularly since the onset of the COVID-19 pandemic. Prior to 2020, the market—driven largely by late-millennial buyers—demonstrated a strong preference for vertical housing such as apartments. However, the pandemic triggered a reversal: interest in vertical living declined, and demand shifted back toward landed residential properties. Even so, the type of residential units desired also changed. Younger buyers increasingly prefer compact housing rather than large landed homes, a shift driven not only by lifestyle but also by reduced buying power. Unlike past generations, whose income allocation included substantial savings for long-term assets, younger consumers spread their spending across lifestyle needs, entertainment, travel, and digital experiences. As a result, the proportion of income allocated to property investment has diminished, reinforcing the trend toward smaller, more affordable residential units.

The expert further noted a fundamental change in how buyers evaluate residential property. In the past, developers typically built residential units first, followed by gradual additions of supporting facilities such as commercial centers, schools, and lifestyle amenities. Today, this model no longer aligns with buyer priorities. Contemporary buyers—regardless of whether they live in central or peripheral locations—prioritize access to transportation, daily amenities, lifestyle offerings, and commercial services before committing to a home purchase.

Consequently, developers have adapted by front-loading commercial and lifestyle infrastructure before launching residential units, ensuring that buyers perceive the area as livable and convenient from the outset.

When discussing accessibility for retail investors, the expert highlighted evolving dynamics in the commercial segment, particularly in Greater Jakarta. Retail operators increasingly avoid purchasing land or commercial units outright; instead, they prefer collaboration models such as land leases or revenue-sharing arrangements with developers. These agreements typically follow a 5+5 format—five years with an option for a five-year extension—allowing retailers to expand without heavy capital expenditure, while landowners earn either steady lease income or a percentage of operating revenue. This shift reflects rapid generational changes in consumer behavior, especially among Gen Z and late Gen Y, whose preferences and market responsiveness shape commercial development.

She then addressed the potential role of fractional ownership in expanding investment participation. The expert acknowledged that fractional ownership has been practiced in Bali for many years, especially in low-rise apartments and villa developments where land values are high. In such cases, a single unit—often developed on leased land under a 30-year “long lease” or BOT-style arrangement—is divided among multiple owners. Each owner may hold a defined percentage, such as 25 percent, reflecting their share. The model works because Bali properties are typically purchased for investment and rental income rather than long-term personal use. Moreover, many projects involve land that cannot be sold outright and therefore rely on notarial agreements rather than full land certificates. In contrast, she noted that fractional ownership has not taken hold in Greater Jakarta, where property purchases are predominantly for personal occupancy rather than tourism-related income generation. Thus, the suitability of fractional models depends heavily on location characteristics and the underlying business purpose.

Regarding digitalization and tokenization, the expert expressed openness to the long-term potential of blockchain and smart contracts in property investment. While she has not directly encountered tokenization projects, she views digital property investment platforms as conceptually viable—especially in areas where land prices have become prohibitively high. Tokenization could enable

collective investment similar to mutual funds or share ownership, particularly when developers or landowners need capital to unlock revenue-generating potential but lack the funds for full-scale development. However, current adoption remains limited because most developers still possess substantial liquidity and therefore do not urgently require alternative fundraising models.

The expert also linked the need for innovative investment structures to intergenerational property challenges. In many high-value urban areas, inherited land often becomes underutilized because heirs are unable to fund property taxes or development costs. In such cases, fractional investment models—potentially supported by digital platforms—could help activate idle assets. She also pointed out rising trends in Jakarta’s central districts (e.g., Setiabudi, Mega Kuningan), where old houses are transformed into premium co-living or boutique lodging units. This shift reflects evolving urban lifestyles, particularly among younger residents who prefer simple, flexible living arrangements over large homes with heavy maintenance burdens.

On the broader distinction between financial and property investment, she emphasized that real estate remains fundamentally a long-term asset that provides security and stability—needs that become more important as individuals age. While younger generations often embrace the idea of renting rather than owning, the absence of asset-backed security may become problematic in later life stages. Property investment, therefore, serves both as a long-term financial asset and a personal safety net, distinguishing it from short-term financial instruments.

Discussing digital transformation more broadly, the expert noted that major developers have undergone extensive digitalization since the COVID-19 pandemic. Marketing, lead tracking, sales processes, payment systems, commission management, legal workflows, progress monitoring, and handover procedures have all moved into integrated digital platforms. Virtual accounts automate payment recording, and internal coordination—from marketing to legal to finance—has become streamlined and paperless. However, despite these advancements, she has not seen developers adopt tokenization or blockchain-based investment models, with the exception of exploratory discussions in isolated cases.

Finally, when asked whether the Indonesian market is ready for tokenized property investment, she responded that the long-term prospects are promising, but adoption will

depend on demographic transitions. While Gen Z is highly familiar with digital finance and crypto concepts, buying power still lies with Generation X and Baby Boomers, who remain more conservative. She expects tokenized property models to begin gaining traction within the next five years, as younger investors accumulate greater purchasing ability and become more open to innovative investment formats. In the meantime, the concept can be explored and piloted gradually, provided that regulatory safeguards and suitable business models are in place.

R5 (TW – DPP REI) | Property Industry Association Representative

The expert began by describing the overall condition of the property market in North Sumatra, noting that while the region holds strong long-term potential, actual transaction activity remains muted. According to him, the core reason is straightforward yet deeply structural: the total cost of property investment in North Sumatra has become prohibitively high, creating a barrier that prevents many prospective investors—especially small and first-time investors—from entering the market.

He explained that land prices in strategic areas of Medan, such as Medan Johor, Sunggal, and Medan Timur, have increased far more rapidly than supporting infrastructure. Because land acquisition is the single largest cost component for developers, elevated land prices inevitably push overall project costs upward. Developers are then forced to maintain higher margins to cover risk exposure, making the final selling price significantly more expensive for end-users and investors.

The expert also highlighted regulatory and administrative burdens as another key contributor to high transaction costs. In North Sumatra, procedures related to

Zoning, building permits, utilities, and infrastructure contributions often impose additional time and expense. These layers of regulatory cost are ultimately transferred to consumers, further widening the affordability gap. Beyond administrative complexity, the cost of capital for developers in the region also tends to be higher than in major hubs like Jakarta. Banks view regional projects as riskier, resulting in higher financing costs and shorter credit tenors, which in turn force developers to increase selling prices to retain project feasibility.

Collectively, these factors create a high entry barrier. Many potential investors would like to participate in property investment but are discouraged by the substantial minimum capital required. As a result, they often shift toward alternative instruments—such as retail bonds or mutual funds—that require far smaller ticket sizes and offer better liquidity.

When asked whether tokenization could conceptually address these challenges, the expert provided a nuanced perspective. He emphasized that tokenization cannot solve structural issues such as high land prices, costly permitting, or expensive capital. These are macroeconomic and regulatory matters that must be addressed at the policy and industry levels. However, he also stressed that tokenization is uniquely positioned to solve the biggest practical obstacle faced by small investors: the minimum ticket size.

By fractionalizing real estate into digital tokens, assets valued at IDR 500 million or even IDR 2 billion can be divided into small, affordable units. This allows individuals with only IDR 1–5 million to gain exposure to property assets that would otherwise be inaccessible. In his view, tokenization does not make property cheaper, but it fundamentally changes how investors access property. Rather than requiring one person to bear the full financial burden of ownership, tokenization enables hundreds or even thousands of investors to participate collectively.

In the context of North Sumatra, where many high-value properties are concentrated in urban and commercial centers, this democratization of access is particularly relevant. Tokenization could allow broader participation in rental-

yield-producing assets and reduce the dominance of large capital holders. Nonetheless, the expert cautioned that for tokenization to be truly effective, clear regulations are essential. Strong supervision from OJK, proper escrow arrangements, transparent distribution mechanisms, and clear legal definitions of tokenized ownership must be established to ensure investor protection and prevent misuse.

In conclusion, the expert reiterated that while tokenization will not reduce project costs or alter market fundamentals, it can meaningfully lower the entry barrier for the public and expand participation in North Sumatra's property market. Conceptually, he views tokenization as a promising innovation that could enhance inclusivity—provided that regulatory frameworks and operational safeguards are firmly in place.

T16 (KT – PT SM) | Property Entrepreneur

The expert began by describing the unique challenges faced by Indonesian Web3 platforms when operating fiat-crypto on/off-ramps, noting that ramp systems are not merely technical infrastructure but deeply intertwined with compliance, liquidity management, and user-risk profiling. He explained that in platforms like SerMorpheus, ramp up/down must be carefully coordinated with banking partners because transaction velocity, deposit surges, and mass withdrawal events can trigger automated bank risk flags if not throttled properly. According to him, “scaling” is not simply about supporting more API calls; it requires the platform to anticipate user sentiment—especially during NFT drops, flash campaigns, or RWA sales—so that liquidity buffers, fraud detection, and operational controls grow proportionally with traffic. He emphasized that sudden ramp-up events can stress both technical and compliance layers: reconciliation queues become long, VAs may delay settlement, and AML engines must scan larger volumes without sacrificing accuracy.

He then explained that ramping down is equally critical. When market sentiment shifts or campaigns end, transaction volumes can cliff-fall within minutes. For him, a robust ramp-down strategy includes dynamically reducing liquidity exposure, tightening payout windows, enabling automated withdrawal batching, and lowering transaction velocity limits. Without these controls, a platform can unintentionally allow “regulatory arbitrage behavior,” where users exploit low-traffic windows to push through suspicious or borderline transactions. He stressed that, from a risk perspective, the worst failures in Indonesian crypto/fintech operators have emerged

when ramp-up and ramp-down scaling were treated as purely technical issues rather than co-managed with compliance, treasury, and banking operations.

Shifting to Real-World Assets (RWA), the expert explained that the Indonesian market is “hungry for fractional access,” but the regulatory structure requires careful interpretation. He noted that tokenization is appealing because it allows younger investors to participate in assets—tickets, collectibles, IP rights, memberships, or micro-ownership structures—that were previously restricted to higher-income segments. However, he cautioned that RWA tokenization does not eliminate the real-world obligations attached to the underlying asset. If the asset is property, the platform must still comply with PPAT rules; if it is revenue-sharing, the platform must satisfy securities/crowdfunding requirements; and if it involves recurring economic benefits, then the system must ensure transparent auditability and timely distribution.

He emphasized that RWA tokenization works best when the token represents utility, access, or digitally verifiable rights, not land title. In SerMorpheus’s experience, the safest models focus on digitalizing rights that are already divisible—event access, royalties, membership tiers—because these avoid land-law complications. For more complex RWA structures such as property-backed tokens, he argued that the technology should play a supportive role: blockchain can secure provenance, ownership logs, and distribution calculations, but the legal enforceability still comes from well-structured contracts and proper custody of underlying documents, not the token itself. He added that banks and institutional partners are becoming increasingly open to RWA models, but only when the platform demonstrates strong ramp controls, transparent escrow flows, and robust audit trails.

Finally, he concluded that the future of RWA in Indonesia depends not on technology maturity—blockchain is already capable—but on the platform’s ability to integrate three layers simultaneously: (1) strict compliance with real-sector regulations, (2) operational excellence in ramping up/down scaling, and (3) user-friendly tokenization models that avoid overpromising legal rights. For him, a successful Indonesian RWA platform is one where the technology disappears behind a seamless experience, while legal, banking, and operational safeguards work silently but reliably in the background.

R13 (HK – KS Exchange) | Capital Market & Digital Asset Legal Practitioner

The expert began by describing how escrow mechanisms function in digital asset exchanges and payment platforms, emphasizing that escrow is fundamentally a trust and segregation structure, not merely a technical feature. In regulated exchanges, escrow wallets or escrow bank accounts must be separated from operational accounts, ensuring that user funds are never mixed with corporate expenses. He explained that the purpose of escrow is to guarantee transactional fairness—buyers receive assets only after payment is verified, and sellers are protected from fraudulent reversals. According to him, the credibility of an exchange often depends on its escrow architecture: clear audit trails, deterministic release conditions, and strict multi-signature or multi-approval flows between compliance, treasury, and operations teams.

He then moved to the topic of Virtual Accounts (VA), describing them as one of the most widely accepted bridges between traditional banking systems and crypto platforms. A VA allows each user to have a unique payment identifier within a partner bank, enabling automated reconciliation for deposits and withdrawals. However, he stressed that VAs are “not free-form financial instruments”—they operate under strict bank rules, require proper KYC linkage, and must be mapped to a clearly identified beneficiary. In his view, the biggest compliance challenge is ensuring that all VA flows are fully traceable to a verified customer because banks and regulators increasingly require “real-time attribution” to comply with AML/CFT regulations. Any tokenization or investment product that expects to support fiat on/off-ramp must still align with these KYC-anchored, beneficiary-identifiable structures.

Discussing API ramp-up and ramp-down, the expert explained that payment and exchange platforms typically experience significant traffic spikes—especially when market volatility triggers mass deposits or withdrawals. From a legal and risk-management perspective, he stressed that scaling API throughput is *not* just an engineering decision; it also requires controls to prevent suspicious patterns such as wash trading, layering, or automated rapid-fire deposits. Exchanges must implement throttling, AML velocity checks, and lockout mechanisms to ensure that scaling capacity does not inadvertently enable unlawful activity. He added that many fintech failures occur when the system can “scale up technically but not scale up legally,” meaning compliance monitoring fails to keep pace with user volume.

The expert also highlighted the importance of escrow account governance in scenarios involving tokenization or investment pooling. If an SPV or platform collects funds from the public, even indirectly, the escrow account must follow strict segregation rules: who can authorize disbursement, how refunds are executed, and how ongoing obligations are tracked. He noted that mistakes in escrow governance—such as unclear signing authority, insufficient reconciliation, or premature release of funds—are among the most common causes of police reports in crypto-related disputes. For him, the safest model is an escrow structure where release conditions, beneficiary mapping, and transaction logs are cryptographically verifiable but legally supervised, ensuring that the platform satisfies both technological and regulatory expectations.

Finally, he concluded that a tokenized investment or property product integrating VAs and crypto-ramps must adopt a hybrid compliance model: blockchain for proof of funds and transparency, VAs for regulated fiat flows, escrow for user protection, and API controls for operational integrity. Technology may automate settlement, but legal enforceability still depends on clear roles, documented approval flows, and full integration with banking KYC/AML frameworks. Tokenization can improve efficiency, she said, but cannot replace the foundational legal and financial compliance structure required for handling real consumer funds.

R15 (NK – Individual Investor) | Retail Property Investor

The expert began by describing her personal experience as a long-time property investor, noting that her investment journey started with residential units purchased through

Kredit Pemilikan Rumah (KPR). Her early decisions were driven by a combination of practical need—securing a place to live—and long-term wealth planning. She recalled that during her first property purchase, the process was both exciting and overwhelming. While KPR enabled her to enter the market with manageable installments, the administrative steps—from bank approval, appraisals, income verification, to notarial work—were time-consuming and at times stressful. Nonetheless, successfully completing her first transaction reinforced her belief that property ownership remains one of the most reliable long-term assets in Indonesia.

As she accumulated more experience, she diversified into **investment properties**, including rental units and small commercial spaces. She emphasized that returns in the property sector are highly dependent on location, tenant quality, maintenance costs, and macroeconomic conditions. While some properties yielded stable recurring income, others presented challenges such as tenant turnover, delayed rental payments, and unexpected repair costs. She also highlighted emotional and operational burdens often overlooked by first-time investors—managing utilities, paying annual taxes, coordinating with building management, and handling legal paperwork. Property investment, she stressed, is rewarding but not as passive as many assume.

The expert also shared the story of buying property. Among the positive aspects, she mentioned the sense of security that comes with owning a tangible asset, the potential for capital appreciation, and the stability of rental income during favorable market conditions. On the downside, she pointed to high upfront costs (DP, notary fees, BPHTB, appraisal fees) and the lengthy timeline required to finalize each transaction. She also encountered uncertainties related to land certificates, zoning clarity, and bureaucratic delays. These experiences made her increasingly cautious when selecting developers or agents, prioritizing those with transparent documentation and established reputations.

When asked about tokenized property investment, her response was cautiously open-minded but centered on three concerns: fraud risk, legal certainty, and return stability. She noted that Indonesia has seen many instances of fraudulent schemes disguised as digital investments, making retail investors like her naturally skeptical toward new digital formats. Her primary worry is simple: *“Who guarantees that my money is safe, and how do I know the underlying property truly exists?”* She emphasized that any tokenized platform must provide strong verification mechanisms—audited ownership documents, third-party custodianship, and regulatory supervision—to build trust.

Her second concern relates to legal standing. She questioned how tokenized ownership would be recognized under Indonesian law, especially given that land certificates traditionally require named individuals or corporate entities. While she appreciates the idea of fractional access, she remains uncertain about the enforceability of rights—such as dividend claims, resale rights, and dispute resolution—if ownership is represented as digital tokens rather than formal deeds.

The third concern centers on return expectations. She explained that property investors typically rely on two sources of gain: rental income and capital appreciation. For tokenized assets, she worries that returns may appear attractive on paper but could become inconsistent if operational transparency is lacking. She stressed that retail investors need clear disclosures on occupancy rates, maintenance costs, tax obligations, and revenue-sharing mechanisms. Without these elements, tokenization risks becoming just another speculative instrument detached from real asset performance. Despite these reservations, the expert acknowledged the conceptual benefits of tokenization, especially in lowering entry barriers for younger investors who may not yet qualify for KPR or have the capital to purchase entire units. Tokenization, she said, could allow many people to participate in property markets previously accessible only to high-net-worth individuals. She believes that with proper regulation, independent auditing, and integration with licensed financial institutions, tokenized property could become a legitimate additional investment channel—particularly for diversifying portfolios.

In closing, she reiterated that property remains one of the most trusted long-term investments, but any innovation—especially one involving digital tokens—must prioritize trust, legality, and transparent economic value. “I’m not against tokenization,” she said, “but before I invest, I need to be absolutely certain that the asset is real, the system is regulated, and the returns come from genuine property performance—not promises.”