

Global Mobility Services bulletin

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Golden Visa - Further efforts by the Indonesian Government to attract foreign investment and advancements in innovation

In today's ever-changing global landscape, multinational corporations, entrepreneurs and high-net-wealth individuals (HNWI) are exploring more international investment opportunities.

In line with other government programs to attract investment inflow, Indonesia has recently started to adopt what many countries have already done to attract foreign investment and stimulate economic growth. Indonesia is now offering residency to foreign investors, HNWI and entrepreneurs through a Golden Visa initiative. It is expected that these Golden Visa candidates can contribute to the local economy by creating jobs, injecting capital into the economy, and driving technological advancement.

The Golden Visa was introduced through the issuance of "Ministry of Law and Human Rights Regulation No. 22 Year 2023" and "Ministry of Finance Regulation Number 82 of 2023". This program is aimed at qualified foreigners including for work on a corporate executive board and/or for individual investors who are expected to contribute to Indonesia's economic development.

One of the primary advantages of the Golden Visa offered by the Indonesian Government is its extended stay duration. Through the Golden Visa program, a foreigner may choose to have a **five- or 10-year residence permit**. This immigration program offers them the ability to better understand Indonesia's business environment as well as the opportunity to become more involved and expand their investments/interest in Indonesia.

The Golden Visa has been implemented into the application of limited stay visa (VITAS), limited stay permit (ITAS), permanent stay permit (ITAP) and re-entry permit. There are four categories that are available for Golden Visa, which are as follows:

Category I – Capital investment

Under the "Capital investment" category, a Golden Visa can be granted to the following three types of individuals with no sponsor required:

Sub-categories	Type of committed investments	Value of investment	Granted stay period	Additional requirements
1 Foreign individual investors who intend to establish a company in Indonesia.	Share capital or investment	Minimum of USD 2.5 million	5 years	Audited financial statements from headquarters issued by the international accounting firm as proof of: 1. share ownership in an overseas company, and 2. the overseas company in which the individuals have share ownership generates a certain revenue/turnover.
		Minimum of USD 5 million	10 years	

Sub-categories	Type of committed investments	Value of investment	Granted stay period	Additional requirements
				The minimum threshold for share ownership, revenue/turnover and the list of international accounting firms will be stipulated by the Director General of Immigration.
2 Foreign individuals with no intention to establish a company in Indonesia.	Indonesian Government bonds, share and/or mutual funds of Indonesian publicly listed companies.	Minimum of USD 350,000	5 years	
		– Minimum of USD 700,000 investments in Indonesian Government bonds, shares or mutual funds, or – Buy an apartment with a minimum price of USD 1 million.	10 years	
3 Foreign corporations (applied to a maximum of ten board members per subsidiary/branch) that intend to establish a new company in Indonesia i.e. a subsidiary or branch.	Establishment of a new company in Indonesia (a subsidiary or branch).	Minimum of USD 25 million capital investment in a new company.	5 years	An overseas company's audited financial statements issued by the international accounting firm as proof that the overseas company generates a certain amount of revenue/turnover. The amount of revenue/turnover and the list of the international accounting firms will be stipulated by the Director General of Immigration.
		Minimum of USD 50 million capital investment in a new company.	10 years	

Category II – Family reunion

A five- or 10-year Golden Visa can be granted to family members of a Golden Visa holder under the “Family reunion” category if they fulfill the following requirements:

- 1.They will join their spouse (husband/wife), who is the holder of an ITAS/ITAP; or
- 2.They will join their children; or
- 3.Any unmarried children under 18 years old who will join their parent(s).

Category III – Repatriation

Under the “Repatriation” category, a Golden Visa can be granted to the following individuals with no sponsor required:

Sub-categories	Type of committed investments	Value of investment	Granted stay period
Former Indonesian citizens who intend to reside in Indonesia without a sponsor.	Indonesian Government bonds, share and/or mutual funds of Indonesian publicly listed companies.	Minimum of USD 35,000	5 years
A descendant of a former Indonesian citizen (max. to the second degree) who intends to reside in Indonesia without a sponsor.	Indonesian Government bonds, share and/or mutual funds of Indonesian publicly listed companies.	Minimum of USD 50,000	5 years
		Minimum of USD 100,000	10 years

Category IV – Second home

Under the “Second home” category, a Golden Visa can be granted for five- or 10- years to the following sub-categories:

Sub-categories	Specific requirements	Granted stay period
1 Second home	<ol style="list-style-type: none">1. Commit to depositing a minimum of USD 130,000 (or the equivalent) into their account in a state-owned Indonesian bank, or2. Buy an apartment in Indonesia, the price of which is at least USD 1 million (or the equivalent).	5 years
2 Special skills	<p>Applicants with a sponsor:</p> <ol style="list-style-type: none">1. the Indonesian Government must sponsor them.2. an invitation or reference letter from the Indonesian Government. <p>Applicants without a sponsor:</p> <ol style="list-style-type: none">1. provide a statement of commitment to work with the Indonesian Government or any government entities;2. hold certification in the specific skills needed by the government, or3. have graduated from a top 100 global university with a GPA of at least 3.5.	5 or 10 years
3 International public figures	<p>Applicants with a sponsor:</p> <ol style="list-style-type: none">1. proof of sponsorship from the Indonesian Central Government2. an invitation or reference letter from the Indonesian Central Government. <p>Applicants without a sponsor must provide a commitment statement to establish a new company in Indonesia which has the investment value of at least:</p> <ul style="list-style-type: none">- USD 25 million for a five-year permit- USD 50 million for a 10-year permit.	5 or 10 years
4 Elderly foreign individuals with a minimum age of 60 years.	<ol style="list-style-type: none">1. Commit to depositing at least USD 50,000 (or the equivalent) into their account in a state-owned Indonesian bank, and2. Evidence of earned income or allowance of, at minimum, USD 3,000 per month.	5 years

KPMG notes:

Besides the longer stay duration, Golden Visa holders are also entitled to some privileges such as service priority in line at the immigration office, service priority from other related government bodies, an easier procedure when leaving or entering Indonesia, and other similar privileges. However, please be aware that the immigration officer will conduct an Immigration Guarantee Evaluation on a yearly basis for all Golden Visa holders to ensure that they still meet the criteria above.

Given that many of its neighbors in Southeast Asia have already implemented similar programs (e.g. Singapore, Malaysia, the Philippines and Thailand) to attract foreign corporations, HNWI's and talented individuals, Indonesia needs to offer better conditions to pull ahead of these countries.

It is unclear at this moment the extent that the Ministry of Finance will support this program. It's possible they could offer tax benefits by providing exemptions to a Golden Visa holder's foreign income over a certain amount of years or even lower personal income tax rates.

KPMG wishes all of you a happy and safe holiday and another successful year in 2024!

References:

1. Ministry of Law and Human Rights Regulation No. 22 Year 2023 regarding Visas and Stay Permits
2. Ministry of Finance Regulation Number 82 of 2023 regarding Types and Rates of the Types of Non-Tax State Revenues for Urgent Need for Golden Visa Applicable at the Ministry of Law and Human Rights
3. Directorate General of Immigration - Ministry of Law and Human Right website, <https://www.imigrasi.go.id/en/>

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