

Doing Business in Indonesia



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Cost and number of days for opening a Company	<p>Varies depending on the type of entity, the most common is a “PT Company”</p> <p>Number of days: from 4 weeks until up to 3 months</p> <p>Cost: Start from \$1,200 for the government fees and permits</p>
Cost and number of days for closing a Company	<p>Number of days: start from 30 days</p> <p>Cost: Varies on the type of problems</p>
Cost and number of days for registering property	<p>Land certificate examination at the Land Office: 1 day, for \$3.30</p> <p>Payment of the transfer and acquisition taxes: 1 day, for 2.5% of the Sales Value of the Tax Object + 5% of the property price</p> <p>Validation of Transfer Tax payment with the Central Tax Office: 3 days, for no charge</p> <p>Execution of sale and purchase of Land Deed by a Head of the National Land Office: 5 days, for 1% of property value</p> <p>Registration of the Land Deed at the local Land Office under the name of the buyer: 15 days, for 1/1000 of property value + stamp duty + administrative fee</p> <p>Registration of the Land Deed at the Regional Government Revenue Office under the name of a buyer: 1 day, free of charge</p>

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Country risk level classification	Standard & Poor's (2022): BBB Fitch (2022): BBB
Annual GDP per Capita (USD)	2021: \$4,333 2020: \$3,894 <i>(source: World Bank)</i>
Indonesia GDP (USD)	2021: 1.186 trillion USD <i>(source: World Bank)</i>
GDP Growth 2020 –2021	2021: 3.7% 2022: 4.5% <i>(source: World Bank)</i>
Country level of security	2022: 5.5 index points <i>(source: https://www.theglobaleconomy.com/)</i>



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<p>Recommendation for Investment</p>	<ol style="list-style-type: none"> 1. Oil and gas, 2. plantations, mining, and services, 3. living places, workplaces, and entertainment, 4. transportation, 5. Internet and telecommunications, 6. Renewable energy, 7. Medical, 8. Pharmacy, 9. Food and beverage
<p>Business Climate</p>	<p>With the region's largest population and largest economy, Indonesia is the giant of Southeast Asia and one of the world's most populous democracy. Representing about 40% of the economy and the population of ASEAN, Indonesia is the region's only member of the G20. Its size and remarkable economic growth also attracts many investors. <i>(source: https://aseanup.com/)</i></p>
<p>Tax rate –persons</p>	<p>Start from 5% to 35%, depending on the amount of taxable income</p>
<p>Tax rate –Companies / Branch</p>	<p>A flat CIT rate of 22% generally applies to net taxable income. However, certain tax objects or industries have special tax regimes.</p>
<p>Non-residential rent / Local Rent or Global rent</p>	<p>Local rent</p>

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Double Taxation Agreement (Main 4 countries)	71 countries (Singapore, Japan, Malaysia, US)
Free Trade Agreements (FTAs)	ASEAN countries, Japan, India, Australia-New Zealand, Korea
#Years for losses carried forward	Losses may be carried forward for a maximum period of five years. Carrying back of losses is not permitted. Offsetting losses within a corporate group is not permitted
Tax on Properties (Commercial)	<p>The seller pays income tax (Pajak Penghasilan) (PPH) at 2.5% of the transaction value, or NJOP, whichever is higher.</p> <p>Acquisition duty is imposed on buyers for their acquisition of land or building rights. The rate is 5% and is determined based on the assessed value or transaction value.</p> <p>The rate of the land and building tax (Pajak Bumi dan Bangunan) (PBB) is 0.5% of the taxable land sale value (Nilai Jual Kena Pajak), which is usually payable by the seller up to the date of the sale.</p>
Tax on dividends	The tax rate on dividends is 15 percent for residents and 20 percent for non-residents (unless they have an applicable tax treaty).

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VAT TAX (GST TAX)	11%
Office Rental	Jakarta (capital city) Class A buildings, the price per square meter is around \$18. Considering an employee needs 6 square meters, a three-person team may mean a spending of \$324 each month. As for class C buildings the rental prices begin at \$15 per square meter.
Condominium residential rental	Cost of living in Indonesia is cheaper than in 89% of countries in the World (68 out of 76) Monthly rent - 45 m2 furnished studio in normal area in Jakarta costs Rp 4,123,080 (USD 272.66) (source: https://www.expatistan.com/)