

Indonesia Looks to Attract Investment, Skilled Workers with Changes to Immigration Provisions

Indonesia's Minister of Law and Human Rights ("MOLHR") has introduced changes to the regulatory framework for visas and stay permits with the goal of attracting greater flows of investment and creating an investment climate that attracts highly skilled talents.

These changes introduced by MOLHR Regulation No. 22 of 2023 concerning Visas and Stay Permits ("MOLHR Reg. 22/2023") follow earlier changes under Government Regulation No. 40 of 2023 regarding the Fourth Amendment to Government Regulation No. 31 of 2013 regarding the Implementing Regulation for Law No. 6 of 2011 regarding Immigration ("GR 40/2023").

As we highlighted key changes to the immigration framework introduced by GR 40/2023 in a [previous article](#), this article will focus on changes to provisions on visas and stay permits under MOLHR Reg. 22/2023.

Visitor Visa and Visitor Stay Permit

1. Streamlined Requirements or Application for Visit Visas

MOLHR Reg. 22/2023 streamlines visitor visa requirements for Single Entry Visit Visas, Multiple Entry Visit Visas, and Visit Visas on Arrival.

2. Implementation of New Immigration Fees for Visit Visa Application

MOLHR Reg. 22/2023 introduces two types of immigration fees for visitor visa applications, i.e., (i) visa fee and (ii) verification fee.

For Single Entry Visit Visa applications to the Directorate General of Immigration ("DGI"), activities such as filmmaking and purchasing goods are exempted from the verification fee. The verification fee does apply to Multiple Entry Visit Visa applications to the DGI. For Visit Visa on Arrival applications, the visa fee is the only immigration fee that applies, while both the visa fee and the verification fee apply for other visit visas.

3. New Provisions on Stay Period Extension for Visit Stay Permit for Visit Visa Holders

MOLHR Reg. 22/2023 stipulates that visit stay permits can be extended for a maximum period of 60 days per extension as of the expiration date of the visit stay permit, provided that the overall stay permit does not exceed 180 days. The length of the single entry and multiple entry visit visa depends on the intended activities thereunder, as follows:

- a. **Pre-Investment Activities:** 180 days per extension as of the expiration date of the visit stay permit provided that the overall stay permit in Indonesian territory is not more than 12 months;
- b. **Government Duties:** 60 days per extension as of the expiration date of the visit stay permit provided that the overall stay permit in Indonesian territory is not more than 12 months.

MOLHR Reg. 22/2023 also provides extension periods applicable only for Single Entry Visit Visa holders, as follows:

- c. **Apprenticeship:** 180 days per extension as of the expiration date of the visit stay permit provided that the overall stay permit in Indonesian territory is not more than 12 months;
- d. **Prospective Foreign Worker Undergoing Probationary Period:** 60 days per extension as of the expiration date of the visit stay permit provided that the overall stay permit in Indonesian territory is not more than 12 months.

Finally, MOLHR Reg. 22/2023 provides that the maximum extension for visit stay permits granted to foreigners eligible for a visit visa free is 30 days as of the expiration date of the visit stay permit, provided that the overall stay permit in Indonesian territory is not more than 60 days.

Limited Stay Visa (*Visa Tinggal Terbatas* or “VITAS”) and Limited Stay Permit (*Izin Tinggal Terbatas* or “ITAS”)

1. Golden Visa Provisions

Through GR 40/2023, Indonesia introduced the Golden Visa, which refers to a specific group of Limited Stay Visas, Limited Stay Permits, Permanent Stay Permits and Re-entry Permits (“**Golden Visa**”). A Golden Visa is issued to conduct capital investment, family regroupings, repatriations, and to second homeowners in Indonesia. Golden Visas are granted for a maximum of 5 or 10 years, depending on the level of investment.

Upon their arrival, Golden Visa holders will be given priority by immigration and they no longer need to apply for an ITAS at the Immigration Office.

MOLHR Reg. 22/2023 introduces the following investment commitments for Golden Visas, which act as an immigration guarantee:

- a. Foreigners intending to stay for up to **5 years** while seeking to invest by establishing a company in Indonesia must have a minimum investment value of **USD 2.5 million in the relevant company;**
- b. Foreigners intending to stay for up to **10 years** while seeking to invest by establishing a company in Indonesia must a minimum investment value of **USD 5 million in the relevant company;**
- c. Foreigners who do not intend to establish a company in Indonesia but wish to stay for up to **5 years** must commit to one of the following guarantees:
 - i. to purchase at least USD 350,000 of Indonesian government bonds;
 - ii. to purchase at least USD 350,000 worth of Indonesian publicly listed company shares; or
 - iii. to purchase at least USD 350,000 in mutual funds holding shares listed on the Indonesia Stock Exchange.
- d. Foreigners who do not intend to establish a company in Indonesia but wish to stay for up to **10 years** must commit to one of the following guarantees:



- i. to purchase at least USD 700,000 of Indonesian government bonds;
- ii. to purchase at least USD 700,000 shares of a publicly listed company in Indonesia;
- iii. to purchase at least USD 1 million of mutual funds from a publicly listed company in Indonesia; or
- iv. to buy a flat or apartment with a minimum value of USD 1 million.

MOLHR Reg. 22/2023 provides that such investors are exempted from the obligation to have a mandatory Guarantor, as they are subject to an Immigration Guarantee.

2. New Activities that are Eligible for VITAS and ITAS

MOLHR Reg. 22/2023 introduces new scopes of activity eligible for a VITAS and ITAS. These consist of (i) foreigners who are joining work on board a ship, floating equipment, or installation operating in Indonesian waters, territorial seas, continental shelf, or the Indonesian Exclusive Economic Zone; (ii) for the purpose of work holiday; and (iii) reasons of expediency for the welfare of the community.

3. Maximum Stay Period Under an ITAS

While previous regulations provided that the maximum stay period under an ITAS was 90 days up to 5 years for all classifications of foreigners and their respective activities eligible for an ITAS, MOLHR Reg. 22/2023 determines the maximum stay period for up to 10 years based on the foreigners' activities and/or ITAS application basis.

4. Entry Stamp for Foreigners

For foreigners who enter Indonesia with a VITAS and receive an Entry Stamp from an immigration official, MOLHR Reg. 22/2023 provides that this Entry Stamp is valid as an ITAS. It was previously regulated that an Entry Stamp was only valid for 30 days and the foreign national had to obtain an ITAS by submitting an application to the head of the relevant immigration office no later than 30 days from the date of the Entry Stamp. MOLHR Reg. 22/2023 has eased the ITAS process.

5. ITAS Card

MOLHR Reg. 22/2023 provides that an ITAS card is provided in the form of a virtual ITAS card and a physically printed ITAS card that is printed by the immigration office. Previously, virtual forms of documents related to visas and stay permits were not provided in the regulations.

6. ITAS Extension

An extension application for a Limited Stay Permit shall be submitted within these periods:

- (a) for a Limited Stay Permit with a maximum period of 1 year, the extension application shall be submitted no earlier than 30 days before and no later than the day the Limited Stay Permit expires;

- (b) for a Limited Stay Permit with a period of more than 1 year, the extension application shall be submitted no earlier than 3 months before and no later than the day the Limited Stay Permit expires.

An ITAS will be given one day after the initial Limited Stay Permit expires. MOLHR Reg. 22/2023 provides looser enforcement as MOLHR Regulation No. 29 of 2021 regarding Visa and Stay Permit (“**MOLHR Reg. 29/2021**”) did not allow an application for extension to be submitted on the day the initial Limited Stay Permit expired.

Permanent Stay Permit (*Izin Tinggal Tetap* or “ITAP”)

1. Eligible Activities for ITAP and ITAP Card

An ITAP can be granted to an ITAS holder for several activities, with MOLHR Reg. 22/2023 providing additional elaboration regarding the previously stipulated activities eligible for the purpose of granting an ITAP. MOLHR Reg. 22/2023 provides that an ITAP is granted in the form of a virtual and a physically printed card. The virtual ITAP card will be sent electronically after the issuance of the ITAP is approved by the DGI, the head of the Immigration Office, or an appointed immigration official.

2. Reporting of ITAP

MOLHR Reg. 22/2023 requires unlimited ITAP holders to report every five years to the head of the Immigration Office, whose working area includes the residence of the relevant Foreigner. This reporting must be done no earlier than three months and no later than the working day before the reporting date for the Permanent Stay Permit ends. The reporting of the Permanent Stay Permit is done by submitting a valid passport and the permanent stay permit. The immigration office also considers whether all the requirements have been completed and the submission of a commitments renewal when deciding whether to grant the ITAS or ITAP. The result of the report will be notified electronically. If the submission is declared incomplete, the relevant foreigner, sponsor, or person in charge will be notified by the immigration official.

Other Changes

Other changes to provisions concerning visas and stay permits introduced by MOLHR Reg. 22/2023 include the following:

a. New Reasons for Visa Application Rejection and Visa Cancellation

MOLHR Reg. 22/2023 introduces **two additional reasons** for both visa application rejection and visa cancellation, i.e., (i) if the sponsor who submits the visa application fails to fulfil their obligations as the sponsor, and (ii) other reasons in accordance with the provisions of laws and regulations. The latter gives the DGI greater discretion to reject a visa application, as such reason may be derived from other laws and regulations besides those governing criminal acts such as terrorism, prostitution, and human trafficking.



b. New Provisions regarding Stay Permit Cancellation and Expiration

MOLHR Reg. 22/2023 no longer acknowledges “the termination of marital relationship of a Foreigner who is legally married to an Indonesian citizen due to divorce and/or by court decision except for marriages that are 10 (ten) years old or more” as a reason for a stay permit cancellation. Under the previous regulation, this reason applied for Permanent Stay Visa and Limited Stay Visa cancellation.

MOLHR Reg. 22/2023 also adds additional conditions that make a stay permit no longer valid, as follows:

- the foreigner’s passport or travel document has expired and the data on the stay permit has not been updated;
- the foreigner is registered as a child with dual citizenship in Indonesian territory; and/or
- the foreigner obtains Immigration facilities.

c. New Provisions regarding Exit Permit Only

In the case of the termination of an ITAS or ITAP that is still in effect, MOLHR Reg. 22/2023 introduces an “exit permit only,” which is a permit for foreigners to leave Indonesian territory and not return or for foreigners outside of Indonesian territory who are not intending to return. This permit terminates a valid ITAS and ITAP and the relevant foreigner must leave Indonesian territory within seven days of the exit permit only issuance.

d. New Virtual Permit Products

MOLHR Reg. 22/2023 introduces new virtual permit products consisting of a (i) virtual Visitor Stay Permit; (ii) virtual ITAS; (iii) virtual ITAP; (iv) virtual exit permit only; (v) virtual Re-Entry Permit; and (vi) virtual certificate of birth report.

Conclusion

MOLHR Reg. 22/2023 continues the revamp of Indonesia’s immigration landscape, a process that began with GR 40/2023. These changes emphasize Indonesia’s commitment to attract foreign investment post-Covid-19 by simplifying and streamlining various permit categories and application requirements. (19 February 2024)

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