

Global Mobility: More
Q&A on Indonesia's
"Second Home" Visa ^{P1}

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In October 2022, the Government of Indonesia launched a "Second Home" Visa programme. This programme provides special visa arrangements for foreigners who have a qualifying level of funds or hold luxury property in Indonesia, and with plans to stay in Indonesia long term for non-working purposes.

This programme is now regulated under Director General of Immigration Circular No.IMI-0740.GR.01.01 Year 2022 of 25 October 2022 and effective from 25 December 2022.

What do I need to apply for this visa?

The visa applicant should provide a passport valid for 36 months, a personal bank statement with a balance of at least IDR 2 billion (or equivalent in foreign currency), and a full CV.

Other requirements, such as a statement of good behaviour, a COVID-19 vaccination certificate or a health examination stating that the holder is free from infectious diseases could also be requested.

For family members, the applicant should provide proof of the relationship such as a marriage certificate and/or birth certificates.

How do I process this visa?

The visa can be applied for online through <https://visa-online.imigrasi.go.id>.

To obtain this visa, the applicant should pay Non-Tax State Revenue through the *Penerimaan Negara Bukan Pajak (PNBP)* payment portal whilst overseas or (<https://mpn.kemenkeu.go.id/login>) by a guarantor in Indonesia.

After issuance, this visa must generally be activated by entry into Indonesia within 90 days.

Is this visa the same as a repatriation or a nomad visa?

No. A repatriation visa is available for ex-Indonesian citizens who plan to return and live in Indonesia. The nomad visa programme is yet to be launched.

What to do once I enter Indonesia?

Within 30 days after entering Indonesia the visa holder is required to apply for a “Second Home” stay permit at the relevant immigration office. If the visa holder fails to submit the application within 30 days, then there is a risk of overstay.

Any other requirements for processing a Second Home Stay permit?

After resubmitting the requirements during the visa process, the visa holder must submit a Commitment Statement indicating that they are able to meet the financial requirements (i.e. depositing the required funds at a State-Owned Bank), the ideological and social requirements, and an undertaking to comply with the laws and regulations in Indonesia.

Which banks are State-Owned Banks?

At this time, the State-Owned Banks in Indonesia are Bank Rakyat Indonesia (BRI), Bank Mandiri, Bank Negara Indonesia (BNI), Bank Tabungan Negara (BTN), and Bank Syariah Indonesia (BSI).

What constitutes as luxury property?

Luxury property is housing with a minimum value of around IDR 2 billion.

What are my responsibilities after the Second Home Stay permit issues?

This involves reporting the “Proof of Funds” or “Proof of Property Ownership” within 30 days of the issuance of the Second Home stay permit.

The Proof of Funds must not be transferred, handed over, or guaranteed to another party as long as the Second Home ITAS is valid.

As holder of a stay permit, the visa holder must respect Pancasila and the 1945 Constitution of Indonesia. The visa holder should also respect the ethics, customs, and religious harmony of Indonesia.

What if the Second Home Stay permit holder cannot fulfil their obligations?

If there is a violation of the Commitment Statement, Immigration has the right to audit the visa holder including to request bank account details and/or Proof of Property Ownership.

In the event that the above cannot be fulfilled, the visa holder will be subject to the immigration process based on the current regulations including permit cancellation and administrative actions.

Can I work in Indonesia using the Second Home stay permit?

No. A foreigner who enters Indonesia for work should apply for a limited stay visa for work purposes.

Does having this Second Home Stay permit result in tax or social security obligations?

The Second Home Stay permit is long-term and could trigger obligations in these sectors.

Under the Indonesian tax law, an individual is regarded as a tax resident if:

- they “reside” in Indonesia; or
- they are present in Indonesia for more than 183 days within any 12-month period; or
- they are present in Indonesia within any tax year and show an intention to reside in Indonesia.

Minister of Finance Regulation No.18/PMK.03/2021 states that an "intention to reside in Indonesia" can be substantiated by documents such as:

- A permanent stay permit (*Kartu Izin Tinggal Tetap/KITAP*);
- A limited stay visa (*Visa Tinggal Terbatas/VITAS*);
- A limited stay permit (*Izin Tinggal Terbatas/ITAS*);
- An employment agreement with a period of more than 183 days; or
- Other supporting documents (such as rental agreement of more than 183 days or by mobilising family members to live in Indonesia).

Indonesian tax residents are generally taxed on a worldwide income basis. However, certain types of overseas income can be exempt (e.g. dividend income if reinvested in Indonesia within certain periods).

At the moment, there are no special regulations dealing with the tax treatment of Second Home Visa holders. Therefore, the recipient of this visa is likely to be treated as a tax resident. If an individual is at the same time a tax resident of another country, then any relevant tax treaty agreement may become relevant in order to finally determine their tax residency status.

Anything else I should know?

The Second Home Visa is replacing the Senior Citizen/Elderly Tourist Visa under the Limited Stay Visa group.

Holders of Senior Citizen/Elderly Tourist Limited Stay Permits or Permanent Stay Permits which are valid for more than 180 days from the enactment of this Circular, must change their permit to a Second Home Limited Stay Permit and fulfil the obligations tied to it.

This is not applicable for holders of Senior Citizen/Elderly Tourist Permanent Stay Permits unless stated otherwise in the regulation. For this group, the obligation to report the Proof of Funds or Proof of Property Ownership is to be provided no later than 90 days from the enactment of this regulation.

Your PwC Indonesia Contacts:

Abdullah Azis
abdullah.azis@pwc.com

Hasan Chandra
hasan.chandra@pwc.com

Runi Tusita
runi.tusita@pwc.com

Adi Poernomo
adi.poernomo@pwc.com

Hendra Lie
hendra.lie@pwc.com

Ryuji Sugawara
ryuji.sugawara@pwc.com

Adi Pratikto
adi.pratikto@pwc.com

Hisni Jesica
hisni.jesica@pwc.com

Soeryo Adjie
soeryo.adjie-c@pwc.com

Adrian Hanif
adrian.hanif@pwc.com

Hyang Augustiana
hyang.augustiana@pwc.com

Sujadi Lee
sujadi.lee@pwc.com

Alexander Lukito
alexander.lukito@pwc.com

Kianwei Chong
kianwei.chong@pwc.com

Sukma Alam
sukma.alam-c@pwc.com

Ali Widodo
ali.widodo@pwc.com

Lukman Budiman
lukman.budiman@pwc.com

Surendro Supriyadi
surendro.supriyadi-c@pwc.com

Andrias Hendrik
andrias.hendrik@pwc.com

Made Natawidnyana
made.natawidnyana@pwc.com

Susetiyo Putranto
susetiyo.putranto@pwc.com

Anton Manik
anton.a.manik@pwc.com

Mardianto
mardianto.mardianto@pwc.com

Sutrisno Ali
sutrisno.ali-c@pwc.com

Antonius Sanyojaya
antonius.sanyojaya@pwc.com

Margie Margaret
margie.margaret@pwc.com

Suyanti Halim
suyanti.halim@pwc.com

Avinash Rao
a.rao@pwc.com

Marlina Kamal
marlina.kamal@pwc.com

Tim Watson
tim.robert.watson@pwc.com

Ay Tjhing Phan
ay.tjhing.phan@pwc.com

Nicholas Sugito
nicholas.sugito@pwc.com

Tjen She Siung
tjen.she.siung@pwc.com

Brian Arnold
brian.arnold@pwc.com

Nikolas Handradjid
nikolas.handradjid@pwc.com

Turino Suyatman
turino.suyatman@pwc.com

Dexter Pagayonan
dexter.pagayonan@pwc.com

Oki Octabiyanto
oki.octabiyanto@pwc.com

William Christopher
william.christopher@pwc.com

Enna Budiman
enna.budiman@pwc.com

Omar Abdulkadir
omar.abdulkadir@pwc.com

Yessy Anggraini
yessy.anggraini@pwc.com

Esa Perdana
esa.perdana@pwc.com

Otto Sumaryoto
otto.sumaryoto@pwc.com

Yuliana Kurniadjaja
yuliana.kurniadjaja@pwc.com

Gadis Nurhidayah
gadis.nurhidayah@pwc.com

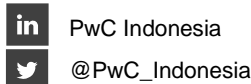
Peter Hohtoulas
peter.hohtoulas@pwc.com

Yunita Wahadaniah
yunita.wahadaniah@pwc.com

Gerardus Mahendra
gerardus.mahendra@pwc.com

Raemon Utama
raemon.utama@pwc.com

www.pwc.com/id



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