



GUIDELINE FOR INDONESIAN INCORPORATION

	Foreign Limited Liability Company (PT PMA)	Local PT Company	Representative Office
Activity	<p>PT PMA is allowed to run any business activities which are not banned by Negative Investment List. After obtaining the Capital Investment Registration or Business License, in the first 5 years, it is mandatory required to invest in Indonesia with minimum IDR 10 billion. This amount is applied to one business line and will be multiplied in accordance with how many business lines needed.</p>	<p>After obtaining all the licenses required, Local PT is allowed to choose a maximum 3 (three) business category without any investment plan required. All business category is open for Local PT</p>	<p>The activities are limited to the preparation of PT PMA establishment, market research, promotion, etc. The company is not allowed to sign any contract, issue invoice, receive payment, or even apply for any other license, such as an import license. Representative Office will have the exact same name as the parent company.</p>
Investment Plan	<p>Min. IDR 10 billion (USD 800.000) for each business activity</p>		
Stakeholder	<p>Min. 2 shareholders, 1 director, and 1 commissioner</p> <ul style="list-style-type: none"> * All of the stakeholders can be a foreigner * Local representative as the director and/or the commissioner 	<p>Min. 2 shareholders, 1 director, and 1 commissioner</p> <ul style="list-style-type: none"> * All of the stakeholders shall be local * In the event there is no local shareholder, director or commissioner, CEKINDO is able to provide our client with local Nominee Services as Shareholder (corporate or individual), Director (individual) and Commissioner (individual) 	<p>1 Chief of Representative Office</p> <ul style="list-style-type: none"> * Can be local or foreigner, except for Construction RO which shall have local Chief



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Authorized Capital	Minimum IDR 10 billion (USD 800 000) as the paid-up capital injected into the company's bank account once the company is well established	Currently there is no minimum authorized capital in Local PT. However, to determine the size of the company the paid-up capital shall be 25% of authorized capital as follows: a) Small: between IDR 51 – 500 million; b) Medium: between IDR 500 – 10 million; c) Large: above IDR 10 billion	No capital required
Additional Requirement	* For a business line that shall apply for Investment Capital Registration, it is mandatory to fulfill investment plan before getting Business License and running a business. * For the business line that directly apply for one-year Business License, it is allowed to start running the business or apply any further license required while realizing the investment plan	* For foreigner: nominee stakeholders and its nominee agreements	-
Tax Obligations	<ul style="list-style-type: none">- PPh 21 (Employee income tax) Progressive Rate- PPh 25/29 (Corporate income tax) Progressive Rate- PPh 23 (Withholding tax for service provider) 2%- PPh 26 (Withholding tax for abroad services) 20%- PPn (Value added tax) 10%, if tax subject is a registered VAT Payer- PPh article 4, clause 2 (Withholding tax for construction) 10%	Same as PT PMA	<ul style="list-style-type: none">- PPh 21 (Employee income tax) Progressive Rate- PPh 23 (Withholding tax for service provider) 2%- PPh 26 (Withholding tax for abroad services) 20%- PPh article 4, clause 2 (Withholding tax for construction) 10%



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Mandatory Tax Report	1. PPh 21, PPh 23, PPh 26, PPh 4 ayat 2 (Monthly Report) 2. PPh 25/29 (Corporate income tax) [Annually]	1. PPh 21, PPh 23, PPh 26, PPh 4 ayat 2 (Monthly Report) 2. PPh 25/29 (Corporate income tax) [Annually]	1. PPh 21, PPh 23, PPh 26, PPh 4 ayat 2 (Monthly Report)
Negative Investment List	Negative Investment List Indonesia	-	-
Documentation Needed	1. Copy Valid Passport minimum 18 month from expiry date. 2. Company Legal document if the shareholder is a legal entity. (Plus Director Passport min 18 month from expiry date). 3. Leased Agreement or Deed of sales and purchase. (only if there are plan to buy the office space) 4. Company Address	1. Copy Valid KTP/ Personal ID (Indonesian) & NPWP (Tax Payor ID). 2. Company Legal document if the shareholder is a legal entity. (Plus Director Valid ID). 3. Leased Agreement or Deed of sales and purchase (only if there are plan to buy the office space). 4. Company Address	1. LOA (Letter of Appointment from Director of Mother Company) legalized by corresponding embassy 2. Letter of Intent (Legalized by corresponding embassy) 3. Letter of statement (Legalized by corresponding Embassy) 4. Letter of Reference (Issued by Embassy) 5. Copy Valid Passport minimum 18 month from expiry date 6. Company Legal document if the shareholder is a legal entity. (Plus Director Passport min 18 month from expiry date) 7. Leased Agreement or Deed of sales and purchase. (only if there are plan to buy the office space) 8. RO Company Address *Cekindo could help clients giving draft for point 1,2,3
Legal Documents Created	1. Akta Notaris 2. Approval from ministry of Law and Human Rights 3. NPWP (Company TaxPayor ID) 4. Domicile Letter 5. NIB Number	1. Akta Notaris. 2. Approval from ministry of Law and Human Rights 3. NPWP (Company TaxPayor ID) 4. Domicile Letter. 5. NIB Number	1. NPWP (Company taxPayor ID) 2. Domicile Letter 3. NIB Number (Special for trading rep office)



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Estimated Time (After Suporting Document Received)	1 - 1.5 Month	1 - 1.5 Month	1 - 1.5 Month
Company Secretary	Not Necessary, but it will be better if there is a company secretary		

For further information : ✉ info@cekindo.com ☎ +6221 3006 1585

Cekindo

AN IN-CORP GROUP COMPANY