

Indonesia Revises Visa Entry Rules in Aim to Stimulate Growth

The Indonesian Government has issued a new immigration regulation that aims to stimulate post-pandemic economic growth by revising the rules for foreigners to enter the country, while maintaining a selective approach.

Government Regulation No. 40 of 2023 on the Fourth Amendment to Government Regulation No. 31 of 2013 on the Implementing Regulations of Law No. 6 of 2011 on Immigration (“**GR 40/2023**”) was introduced on 4 August 2023.

GR 40/2023, which is designed to attract and facilitate investment, introduces the following highlight key changes:

I. Entry Permit Serves as Limited Stay Permit

GR 40/2023 eliminates the 30-day temporary validity period for the entry permit granted to foreigners holding limited stay visas to be deemed as a limited stay visa. Therefore, the entry permit now serves the same purpose as the limited stay permit. As a result, foreigners holding a limited stay visa no longer need to apply for a limited stay permit. This indicates the government aims to make obtaining a limited stay permit simpler by eliminating the step of applying for it again.

II. Classification for Visit Visas and Limited Stay Visas

Under GR 40/2023, the Minister of Law and Human Rights (“**Minister**”) will determine the

classification of visit visas (single entry or multiple entry) and limited stay visas issued to foreigners entering Indonesia. This classification will include the following information:

1. Visa index.
2. Description of permissible activities for foreigners while in Indonesia.
3. Prohibitions, rights and obligations while in Indonesia.
4. Any other relevant details to clarify the purpose of the activity.

Furthermore, GR 40/2023 introduces the inclusion of “other documents to explain the purpose of the arrival of foreigners” as a new requirement for obtaining a visit visa or limited stay visa. Specific details about these additional documents will be outlined in a ministerial regulation.

It remains to be seen how extensively the Minister will define the classification and additional documents required for issuing the above visas. However, it seems the government is aiming to address the previous lack of legal certainty regarding permissible activities under visit visas and limited stay visas.

III. Exemption of 90-day Usage Limit and Extension of Validity for Multiple Entry Visit Visas

Ordinarily, a visa must be used within 90 days from its issuance date. Otherwise, the visa becomes invalid and a foreigner intending to enter Indonesia must reapply for a visa. However, under GR 40/2023, holders of multiple entry visit visas are exempted from this usage period limitation. Furthermore, the regulation extends the validity period of multiple entry visit visas from 5 years to 10 years from its issuance date.

IV. Implementation of Reciprocal Principle

Under GR 40/2023, multi-entry diplomatic visas and service visas, as well as diplomatic and service stay permits, can be granted or extended to foreign nationals for specific durations based on the principle of reciprocity. This principle must be formally established through a written agreement between Indonesia and the relevant country. As a result, the procedures and criteria for granting these visas and stay permits will be the same for both countries. This policy aims to serve a strategic role in enhancing bilateral relations between Indonesia and friendly countries. A similar principle was applied previously for visa-free entry given to countries that offered visa-free entry to Indonesia.

V. Extended Duration for Limited Stay Permit (Golden Visa Policy)

GR 40/2023 allows foreigners to obtain a limited stay permit to reside in Indonesia, including for work, with a longer period, ie for a maximum period of 10 years. Previously, the initial period that could be granted for a limited stay permit was only a maximum of 5 years, but it can be extended for up to a total of 10 years. The Government introduced the golden visa policy to target high-quality foreign nationals and it remains to be seen how extensively the Minister will implement this policy.

VI. Foreign Businesspersons Must Deposit Immigration Guarantee as Guarantor Substitute

Under GR 40/2023, the requirement for foreigners to have a guarantor is waived for businesspersons who invest capital in line with Indonesia's investment regulations. This exemption holds unless they own an Indonesia-domiciled corporation that can act as their guarantor.

However, foreign businesspersons entering Indonesia with investment intentions are now required to deposit an immigration guarantee in lieu of a guarantor during their stay in the country. This guarantee can take the form of funds or other forms, such as purchasing bonds or shares. The diversity in forms of guarantee aims to offer foreigners flexibility in their choices.

Furthermore, the immigration guarantee can also apply to foreigners seeking second homes and repatriation purposes.

Once the foreigner arrives in Indonesia, the immigration guarantee is deposited. If in the form of funds, it is deposited in a bank account. For other forms, it is handed to the specific agencies or institutions. The receipt of this deposit must be reported to the Minister or appointed Immigration official within 90 days of the issuance of the stay permit. Failure to do so may result in revocation of the foreigner's stay permit.

Further provisions regarding the amount, deposit process, and assessment of the immigration guarantee will be further specified in a ministerial regulation.

In addition, under GR 40/2023, in the event of the death of an Indonesian husband or wife married to a foreigner, the limited stay permit, or permanent stay permit of the foreigner remains valid. The foreigner is no longer required to have another Indonesian citizen as a guarantor. The foreigner is only required to report his/her marital status to the Immigration office. This provision also applies when an Indonesian parent passes away, concerning their child who is a foreigner.

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