



# INDONESIA ON THE RISE: OVERCOMING GLOBAL MOBILITY CHALLENGES WITH CONFIDENCE

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## Why GMS Matters

According to the International Monetary Fund (IMF), Indonesia's Gross Domestic Product (GDP) based on Purchasing Power Parity (PPP) has reached \$4.98 trillion, making it the world's eighth-largest economy. As Indonesia strengthens its position in the global economy, businesses increasingly rely on international talent to drive growth and innovation. With rising foreign investments and multinational expansions, seamless Global Mobility Services (GMS) have become essential for business success.

Indonesia's evolving regulatory landscape presents both opportunities and challenges for companies managing cross-border mobility. Compliance with tax regulations, immigration policies, and employment laws is critical for avoiding financial penalties and operational disruptions.

The rising demand for skilled professionals in technology, finance, and manufacturing underscores the importance of an efficient global mobility strategy. Companies must provide their expatriates with comprehensive support—from visa processing and tax compliance to relocation assistance and cultural adaptation—enabling them to focus on their professional responsibilities.

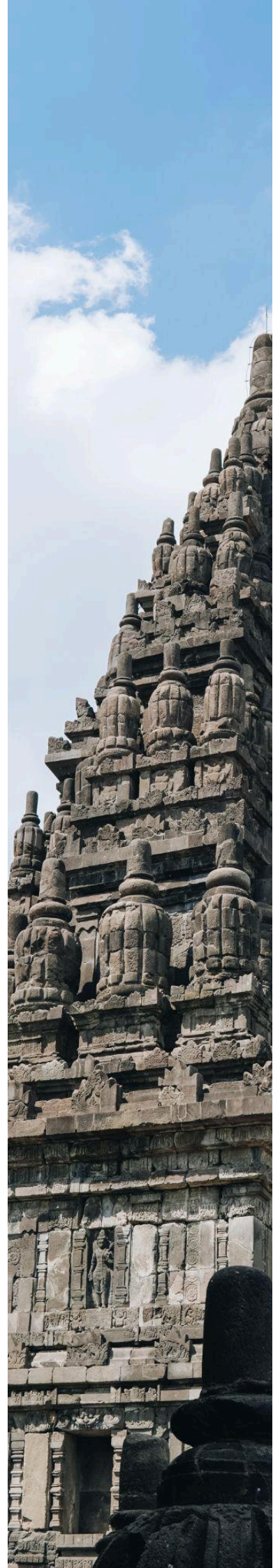
With appropriate GMS support, businesses can better navigate Indonesia's regulatory requirements while working toward compliance and managing costs effectively. A thoughtful approach to mobility can contribute to smoother operations and may help Indonesia continue to attract global talent and business investment.

## 2 Key Challenges Faced by Expatriates and Companies in Indonesia

As Indonesia continues to attract foreign investment and international talent, expatriates and multinational companies face several challenges in navigating the country's evolving regulatory environment:

### ■ Taxation Concerns

Expatriates often face double taxation in both Indonesia and their home country. While Indonesia does offer specific tax facilities that can be utilized, such as the non-worldwide income tax treatment for up to 4 years for certain qualified expatriates, many foreign workers remain unaware of these benefits. All expatriates with tax residency status in Indonesia must fulfill their obligations by registering for a tax ID (NPWP), submitting annual tax returns, and making timely tax payments, regardless of their qualification for special facilities. Additional complexity arises when considering family members' tax status, as spouses and dependents may have different





residency determinations and income sources that require special attention. Issues like passive income from investments in home countries, rental properties, or equity compensation often create compliance challenges. Better understanding and utilization of existing tax relief mechanisms, including tax treaties and special provisions, would help companies attract and retain skilled foreign professionals while potentially enhancing Indonesia's appeal as a work destination.

### ■ Immigration Regulations

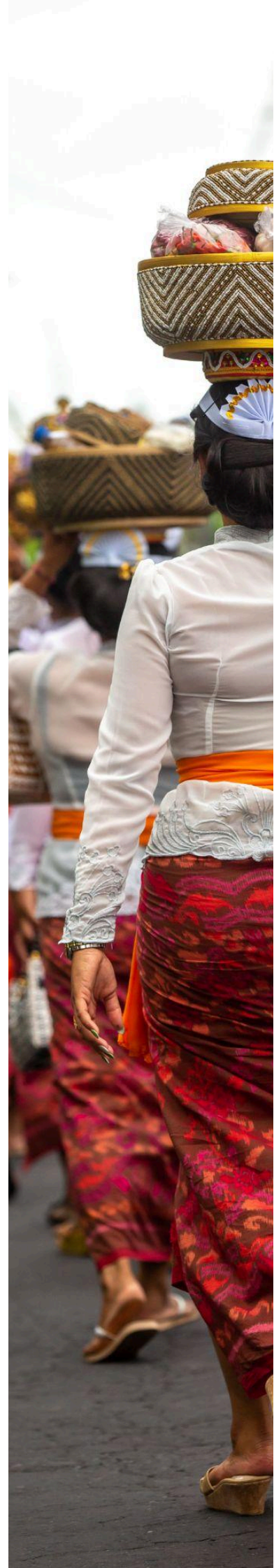
Securing work and stay permits remains time-consuming despite government efforts to streamline immigration procedures. Many companies still face challenges with compliance requirements and administrative processes, while changing implementation practices can complicate workforce planning. Strengthened immigration enforcement measures require businesses to maintain rigorous compliance with visa and work permit regulations, in line with Indonesia's efforts to protect its labor market and ensure legal compliance.

### ■ Regulatory Adaptability

Policy changes, sometimes implemented with limited notice, pose planning challenges for foreign businesses. For example, the introduction of a 10-year stay permit for qualified investors and professionals in Indonesia's new capital (IKN) highlights the need for businesses to stay informed and adaptable.

### ■ Religious, Cultural, and Lifestyle Adaptation Challenges

Beyond regulatory compliance, expatriates face significant adjustment hurdles related to Indonesia's unique environment. Many struggle with practical lifestyle decisions, such as selecting appropriate schools for their children, finding suitable housing in safe neighborhoods, identifying reliable healthcare providers, and locating familiar shopping options for daily necessities. Additionally, navigating Indonesia's religious and cultural landscape presents challenges, from



understanding prayer times and religious holidays to adapting to local business etiquette and appropriate dress codes. Language barriers can further complicate even routine interactions. Companies that provide comprehensive relocation support addressing both practical living needs and cultural dimensions typically see better expatriate integration, satisfaction, and performance, ultimately supporting business continuity and reducing costly premature returns.

## TaxPrime Global Mobility Services — Simplifying Expatriate Management in Indonesia

Launched in mid-2024, our Global Mobility Services Division brings together TaxPrime's tax expertise with strategic partnerships to create a streamlined experience for companies and their international talent in Indonesia.

### Our Service Portfolio

Tax Compliance & Advisory	
Our signature expertise at your service	
Pre-Assignment Planning	Tailored policy setup, including tax impact analysis for expatriates
Tax Briefing	Guidance on tax obligations upon arrival for expatriates
Tax ID Registration	Hassle-free Tax Identification Number (TIN) setup for your expatriate employees
Return Preparation & Filing	Timely monthly and annual tax compliance
Audit Support	Expert assistance during tax authority examinations
Strategic Planning	Optimizing expatriate tax positions within legal frameworks
Spouse Tax Return Assistance	Ensuring tax compliance for expatriates' family members
Treaty Benefits	Accessing available tax relief through international agreements
Tax Exemption Guidance	Identifying and applying for available expatriate tax facilities
Tax Exit Process	Efficient TIN deregistration and final tax reporting upon assignment completion
TaxPrime Taxologis	Streamlined tax applications platform (launching soon)





## Immigration Support

Visa Application Guidance	Navigating Limited Stay Permit Visa (VITAS), Multiple Entry Visa and APEC Business Travel Card requirements efficiently
Stay Permit Processing	Streamlined Limited Stay Permit Card (KITAS) documentation and submissions
Expert Coordination	Seamless communication with immigration authorities
Deregistration Services	Efficient Limited Stay Permit Card (KITAS) deregistration upon assignment completion

## Compliance Coordination

*Keeping your workforce properly documented*

Work Permit Support	Assistance with Foreign Worker Recruitment Plan (RPTKA) applications and requirements, including deregistration assistance
Social Security Enrollment	Proper Social Security Agency for Employment (BPJS) registration for expatriate employees
Regulatory Intelligence	Timely updates on changing compliance requirements

## Specialized Services

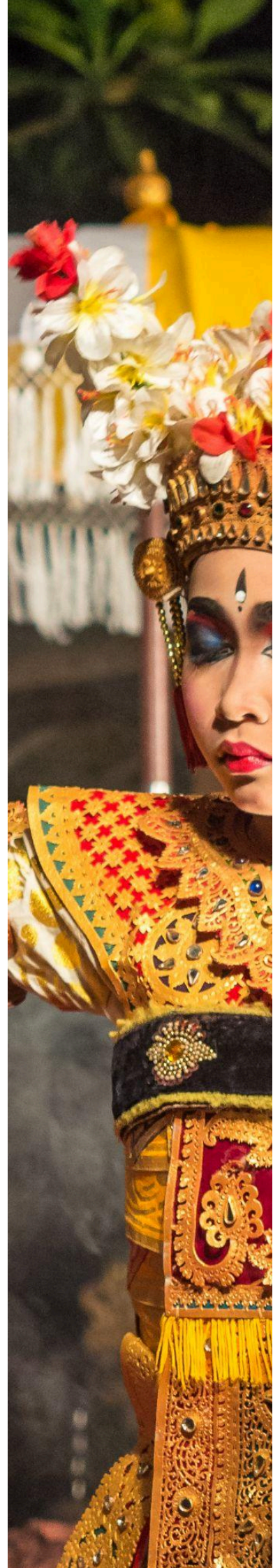
*Going beyond the basics*

Golden Visa Facilitation	Support for executives seeking long-term residency options
Curated Referrals	Connections to trusted specialists for complementary services

## Hospitality & Concierge Services

*Helping expatriates feel at home in Indonesia*

Cultural Orientation	Guidance on local customs, business etiquette, and religious considerations
Family Settlement	School recommendations, housing area insights, and healthcare provider suggestions
Practical Living Support	Information on shopping districts, recreation options, and community resources
Language Resources	Basic language materials and interpreter recommendations for important settings



## Our Approach to Global Mobility Support

Managing expatriate assignments in Indonesia involves navigating various compliance requirements and administrative processes. TaxPrime's Global Mobility Services team works to simplify these challenges by offering tax-focused solutions complemented by strategic partnerships for other mobility needs.

What differentiates our approach:

### 1. End-to-End Solutions Through Collaboration

We provide comprehensive tax assistance directly while facilitating end-to-end global mobility services through the TaxPrime ecosystem and our strategic partners. This collaborative approach connects immigration, taxation, work permits, social security, and legal support to create a more coordinated experience.

### 2. Experienced Advisory Team

Our team includes tax professionals with specific experience in expatriate taxation, allowing us to provide practical guidance on Indonesia's tax regulations.

### 3. Process Efficiency

We're developing digital tools like our upcoming Taxologis platform for tax

applications, and we offer learning resources through Edunesia to help clients better understand compliance requirements.

### 4. Focused Expatriate Support

We provide assistance with specific needs including tax ID registration, annual filing obligations, and guidance on available tax facilities such as income tax exemptions for qualifying expatriates.

### 5. Established Tax Practice with Strong Partnerships

As an established tax consultancy in Indonesia with experience serving multinational clients, we combine our tax expertise with specialized partners for immigration services and legal support, creating a more integrated service network for expatriate needs.

With TaxPrime's support and our network of strategic partners, businesses can access a more complete global mobility solution that addresses both tax compliance and other essential aspects of managing an international workforce in Indonesia.





## Connect With Our Team

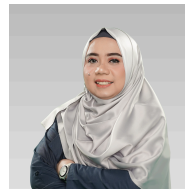
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## TaxPrime Publications

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**Insights:** Delve into our extensive insights, where you can gain a nuanced understanding of the intricacies of both local and international taxation, providing you with valuable knowledge to navigate the complexities of tax systems worldwide

**Tax Updates:** Curated to deliver the latest and most pertinent updates on tax regulations. Stay informed and empowered with the freshest insights into the dynamic landscape of tax changes and regulation

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