



## Recent Changes in Immigration – Change in Validity Period for Multiple Visit Visa and Introduction of Billing Codes for Skill Development Fund Payment

### Background

- People's mobility across borders is becoming more dynamic in this globalization era and the Indonesian Government deems it necessary to have a policy which will ease foreigners to visit Indonesia. The Government has provided a free-visa facility for foreigners coming from 169 countries, for which the last regulation was issued in March 2016, and at the end of June 2016 the President of Indonesia, Joko Widodo, has again issued Government regulation number. 26 of 2016 ("GR 26") to extend the validity period for foreigners to visit Indonesia using the multiple visit visa. This new regulation also provides convenience for former Indonesian citizens and their families in the form of extension of residence permit.

- GR 26 is effective from 28 June 2016 and it is to amend several articles in Government regulation number. 31 of 2013 (“GR 31”) and both of these regulations are the implementation regulations for Immigration Law No. 6 of 2011.
- There is also an announcement from the Ministry of Manpower (“MoM”) in regard to the use of billing code for payment of Skill Development Fund (“SDF” or Dana Pengembangan Keahlian dan Keterampilan / DPKK), which is a contribution imposed by the Government on every work permit application calculated based on the number of working months approved, i.e. USD100/month. With this new billing code system, the Government intends to improve the payment process and make it more time-efficient, easy to monitor, and transparent.

### Changes in the Implementation Regulation

Summarized below are the changes:

No	Description	New Regulation / GR 26	Old Regulation / GR 31
1.	<b>Validity Period of Visa</b>	<ul style="list-style-type: none"> <li>• Multiple Exit Re-entry Permit for Visit Visa (“Visa Kunjungan”) is valid for <b>5 years</b> from the date of issuance.</li> <li>• The validity period of Multiple Exit Re-entry Permit for Diplomatic Visa (“Visa Diplomatik”) and Official Visa (“Visa Dinas”) remains the same, i.e. <b>12 months</b> from the date of issuance.</li> </ul>	Multiple Exit Re-entry Permit for Diplomatic Visa (“Visa Diplomatik”), Official Visa (“Visa Dinas”), and Visit Visa (“Visa Kunjungan”) are valid for <b>12 months</b> from the date of issuance.
2.	<b>Stay Permit Extension</b>	<ul style="list-style-type: none"> <li>• Stay permit for Multiple Exit Re-entry Permit for Visit Visa holder cannot be extended, unless the foreigner is a former Indonesian citizen (Ex WNI) and his/her family.</li> <li>• Stay permit for foreigner who is a former Indonesian citizen and the related family can be extended for maximum two times and the period for each extension is maximum 60 days.</li> <li>• Further details on the extension procedure for the above stay permit will be regulated by the relevant Ministry.</li> </ul>	<ul style="list-style-type: none"> <li>• Stay permit for Multiple Exit Re-entry Permit for Visit Visa holder cannot be extended.</li> </ul>

No	Description	New Regulation / GR 26	Old Regulation / GR 31
3.	<b>Transition Period based on GR 26</b>	<p>When this regulation becomes effective on 28 June 2016:</p> <ul style="list-style-type: none"> <li>• Visit Visa which has been obtained by a foreign national and stay permit for former Indonesian Citizen (Ex WNI) will remain valid until it expires; and</li> <li>• The validity for Visit Visas and Stay Permits for which applications were submitted and processed but not yet completed, will follow this new regulation.</li> </ul>	

### Introduction of Billing Code for SDF Payment

The Government introduced the use of billing codes in paying the Skill Development Fund on 1 July 2016. This billing code will be issued by the Ministry of Manpower at the following time:

- For a new long-term work permit application (7-12 months), the billing code will be provided at the time the application is approved.
- For emergency work permit/short-term work permit, work permit for Director/Commissioner, and renewal work permit: the billing code will be provided at the time the receipt for submission is issued by the Ministry of Manpower.

After obtaining the billing code, the employer can pay the SDF by giving the code to the appointed State-owned banks: BNI 1946, Bank Mandiri, or BRI. Payment can be made in cash or by transfer, but there is a possibility that the appointed Bank may no longer receive transfers from accounts in other banks in the near future.

There is no change to the SDF amount of USD 100/month. The fee can be paid in either USD or IDR, but be mindful of the exchange rate conversion applied by the Bank if the payment is made in currency other than USD.

It is expected that the Ministry of Manpower will issue further regulation or process about this.

### Deloitte's View

This new GR 26 is good news for business travellers who previously only obtained a maximum 12-month multiple business visit visa to Indonesia. The new visa validity period, which is 5 years, will minimise the administrative hassle for the individual and the cost for the company to obtain the visa, as well as reducing cost and time to monitor the visa validity.

It is very important to reiterate that the business visit visa is not valid for working, and therefore companies should continue to monitor their business travellers to ensure that they are using the right visa to enter Indonesia. From the authority side, the Government will also have to control and monitor this new facility to avoid inappropriate use of visas.

The use of billing codes is expected to provide a better monitoring process for the Government as well as transparency. As there is a possibility that the appointed bank may not accept transfers from accounts in other banks, clients that do not have accounts at BNI 1946, Bank Mandiri, or BRI may consider an alternative approach for paying the SDF, such as by way of cash payment (internal risk management consideration needs to be taken into account) or by opening an account in one of the appointed banks.

## Contacts

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