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Company formation in Indonesia

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Flag



National emblem

Common form	PT PMA (foreign-owned limited liability company) [1]
Registry	Online Single Submission (OSS) system and the Ministry of Law [1]
Minimum capital	Foreign-owned PT PMA: paid-up capital of at least IDR 2.5 billion [1]
Directors	1 director and 1 commissioner [1]
Local director	Not required [1]
Corporate tax	22% [2]
VAT / sales tax	12% [2]
Typical timeline	Usually 2–4 weeks [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Indonesian rupiah (IDR)

In short: To set up a company in Indonesia, most founders form a PT PMA, registered with the Online Single Submission (OSS) system and the Ministry of Law. [1] Minimum capital: foreign-owned PT PMA: paid-up capital of at least IDR 2.5 billion. Corporate tax: 22%. Registration: usually 2–4 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 11 June 2026); company-law details summarise official guidance and can change. Confirm requirements with the Online Single Submission (OSS) system and the Ministry of Law before filing.

Foreign investors in **Indonesia** form a **PT PMA**, set up before a notary and licensed through the risk-based **Online Single Submission (OSS)** system. Each PT needs at least one director and one commissioner.

Business structures

Most founders in Indonesia form a PT PMA, registered with the Online Single Submission (OSS) system and the Ministry of Law. [1] Other forms are listed below.

- **PT PMA** – the usual company form for private businesses

Requirements

Minimum share capital in Indonesia (2026): foreign-owned PT PMA: paid-up capital of at least IDR 2.5 billion. Directors required: 1 director and 1 commissioner. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: foreign-owned PT PMA: paid-up capital of at least IDR 2.5 billion.
- Directors: 1 director and 1 commissioner.
- Local residency: not required.
- A registered office address in Indonesia.
- Articles of association signed before a notary.

Registration process

Typical time to register a company in Indonesia (2026): usually 2–4 weeks. [1] The usual steps are:

1. Choose the company form and check that the name is available.

2. Sign the articles of association before a notary.
3. File the registration with the Online Single Submission (OSS) system and the Ministry of Law.
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Directorate General of Taxes (DJP).

Taxation

The corporate tax rate in Indonesia in 2026 is 22%. [2] Standard VAT or sales tax: 12%. [2]

Tax	Rate and notes
Corporate income tax	22%
VAT / indirect tax	12%
Withholding tax on dividends to non-resident companies	20%

Ongoing compliance

Annual compliance in Indonesia: Companies file annual financial statements and tax returns with the Directorate General of Taxes (DJP), and keep their details up to date with the Online Single Submission. [1]

Double tax treaties

Indonesia has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
20%	20%	20%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Indonesia lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Indonesia?

Typical registration time in Indonesia: usually 2–4 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Indonesia?

Minimum share capital in Indonesia: foreign-owned PT PMA: paid-up capital of at least IDR 2.5 billion (as of November 2026).

What is the corporate tax rate in Indonesia in 2026?

The corporate tax rate in Indonesia in 2026 is 22%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Indonesia?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Indonesia: not required.

What withholding tax applies to dividends paid from Indonesia?

Indonesia withholds 20% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- Online Single Submission (OSS) system and the Ministry of Law
- Directorate General of Taxes (DJP)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in India
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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