

Investor Fact Sheet

Buying property in Bali as a foreigner involves several legal considerations. Here's a step-by-step guide:

1. Understand Indonesian Property Laws

- Foreigners cannot directly own freehold land in Indonesia.
- You can acquire property through:
 - Leasehold (Hak Sewa) – You lease land or property for up to 30 years, with an option to extend.
 - Right to Use (Hak Pakai) – Available for foreigners with a KITAS (limited stay permit) or KITAP (permanent stay permit). It allows ownership for 30 years, extendable up to 80 years.
 - PT PMA (Foreign-Owned Company) – Setting up a foreign-owned company lets you acquire property under the Right to Build (Hak Guna Bangunan) title.

2. Choose the Right Property Type

- Villas (common for leasehold)
- Apartments (can be owned under Hak Pakai)
- Land (only for leasehold or through PT PMA)

3. Work with Professionals

- Legal Advisor/Notary (PPAT) – Ensures contracts comply with Indonesian law.
- Real Estate Agent – Helps you find suitable properties.
- Due Diligence Team – Checks land certificates, ownership status, and zoning laws.

4. Conduct Due Diligence

- Verify the ownership certificate (SHM for freehold or SHGB for leasehold).
- Check land zoning (tourism, residential, etc.).
 - Ensure no disputes or encumbrances exist.

5. Secure a Leasehold or Ownership Agreement

- For leasehold: Sign a lease agreement with the landowner.
- For Hak Pakai: Obtain the title through the Indonesian National Land Agency (BPN).
- For PT PMA: Register the company and acquire property under its name.

6. Payment & Taxes

- Pay 10% VAT (if buying from a developer).
- Buyer pays 5% acquisition tax (on Hak Pakai).
- Lease agreements might include annual fees.

7. Register the Property

- Lease agreements are notarized but not registered.
- Hak Pakai and PT PMA properties must be registered with BPN.

This fact sheet is for general information only and not financial, legal, or investment advice. Investors should seek independent advice before making decisions.