OWNERSHIP · COMPANY ROUTE

PT PMA for property in Bali: when a company makes sense and what it costs

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A PT PMA is an Indonesian company you own as a foreigner. It can hold a right to build (HGB) on a villa for up to 80 years and run it as a licensed rental, but it's a real business that has to be capitalized and taxed. It isn't a shortcut to freehold.

Read online: https://riserealbali.com/guides/pt-pma-for-property-bali/

IN SHORT

A PT PMA is an Indonesian company with foreign shareholders, registered through the OSS system. Since October 2025 its minimum paid-up capital is Rp 2.5 bn, with an investment plan above Rp 10 bn per business code, excluding land and buildings (BKPM Regulation 5/2025). It holds HGB for up to 80 years, never Hak Milik.

Rp 2.5 bn
minimum paid-up capital since October 2025 (BKPM Regulation 5/2025)

Rp 10 bn+
investment plan per business code and location, excluding land and buildings

12 months
paid-up capital stays in the company account, except for assets, construction or operations

22%
standard corporate income tax rate (Law 7/2021)

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What a PT PMA is, and what it isn't

PT PMA stands for Perseroan Terbatas Penanaman Modal Asing, a limited company with foreign investment. For most business activities, including real estate and accommodation, foreigners can hold up to 100% of the shares. You register it through OSS, the government's single online licensing system run by the Ministry of Investment.

For property, the point of the company is the title it can hold. A PT PMA can't hold freehold (Hak Milik), which the Basic Agrarian Law keeps for citizens. It can hold HGB, a right to build (Hak Guna Bangunan), for 30 years plus a 20-year extension and a 30-year renewal under PP 18/2021.

It's not a nominee structure and it's not a gray area. The company is the legal holder. It files reports and pays tax like any other Indonesian business.

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How much capital does a PT PMA need?

BKPM Regulation No. 5 of 2025, issued on October 1, 2025, cut the minimum paid-up capital from Rp 10 bn to Rp 2,500,000,000. That money has to reach the company's bank account. A figure in the deed of establishment isn't enough.

The investment plan didn't change. The company still declares total investment above Rp 10 bn per five-digit business code (KBLI) per project location, not counting land and buildings. Paid-up capital is cash in the bank. The investment plan is the scale of the business you commit to.

The capital is locked for 12 months from the date it's paid in. The exceptions matter for property buyers: the company can spend it on asset purchases, construction and operations. It can't flow back to shareholders in that first year.

- Paid-up capital of at least Rp 2.5 bn, actually deposited
- A declared investment plan over Rp 10 bn for each business code and site, with land and buildings left out of the sum
- Capital stays in the company for 12 months, except for assets, construction or operations
- At least two shareholders, individuals or companies (Company Law 40/2007)
- Registration through OSS. Timing depends on how complete your documents are

Source: BKPM Regulation 5/2025, as summarized by Lexology, BP Lawyers and SAS Bali, October 2025

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What the company gets on the property

The company holds HGB, registered with the National Land Agency (BPN). The schedule matches Hak Pakai on state land, up to 80 years in total, but the use doesn't. Hak Pakai is for one home per person or family. HGB held by a PT PMA can carry a licensed rental, a small hotel or a portfolio of units.

That's why most of the rental investors we work with take this route. Legal short-term rental needs a business license (NIB) and the right permits, and the entity that holds them is usually the company that holds the title. A private individual on a lease can't easily sit in that chain.

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What it costs to keep the company running

Setting up the company is a one-off. Running it is a line in your budget for as long as you own the villa. Consultants and notaries quote setup fees individually, so ask for a written quote that covers registration, the title work and the first year of accounting.

Once the company exists, it files a quarterly investment report (LKPM) through OSS and keeps monthly books for its tax returns. Profit is taxed at the standard corporate rate of 22% (Law 7/2021). Guests pay a regional tax on accommodation, capped at 10% (Law 1/2022), which the operator collects and passes on.

Getting money out is its own step. Dividends paid to a non-resident shareholder carry a 20% withholding tax (PPh 26), which a tax treaty with your home country may reduce. Check the treaty rate before you plan how profit comes home.

Recurring obligations of a property PT PMA

OBLIGATION	HOW OFTEN	WHAT IT INVOLVES
Investment report (LKPM)	Quarterly	Filed through OSS
Bookkeeping and tax returns	Monthly and annual	Local accountant
Corporate income tax	Annual, with monthly installments	22% of taxable profit
Accommodation tax (PBJT)	Monthly	Up to 10% charged to guests, set by the regency
Dividend withholding (PPh 26)	When profit is paid out	20%, or the treaty rate

Source: Law 7/2021 (HPP); Law 1/2022 (HKPD); BKPM Regulation 5/2025

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When does a PT PMA make sense for a villa?

The company pays off when the property is a business, and rarely when it's simply the place you live.

A PT PMA fits if

- You'll run the villa as a licensed short-term rental
- You're building a portfolio under one structure
- You're ready to work with a local accountant every month
- The deal is big enough to carry the running costs

It's overkill if

- You're buying one home to live in: Hak Pakai or a lease costs less to hold
- There's no plan to operate the villa as a business
- The capital requirement is larger than the purchase itself

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How the company route compares

A PT PMA isn't the only way to own a villa you rent out. Many buyers lease the villa personally and hand it to a licensed operator. Others hold Hak Pakai and don't rent at all. The three legal routes for foreign buyers are compared in one table, and our Hak Pakai guide compares the two registered titles.

We don't register companies ourselves. A licensed corporate consultant or notary does that. What we do is help you decide whether you need one, and match the property to the title you'll hold before you spend money on a structure. Start with our property listings, where every card shows the ownership form, or the area pages if you haven't picked a location yet.

What this means for buyers

01 A PT PMA holds HGB, a right to build for up to 80 years. No company with foreign shareholders can hold Hak Milik.

02 Since October 2025 the paid-up capital floor is Rp 2.5 bn, and it can be spent on the property in year one.

03 Separately, the business plan you declare must top Rp 10 bn, and the villa's land and buildings don't count toward it.

04 Budget for quarterly reports, an accountant, 22% corporate tax and 20% withholding on dividends.

FAQ

Can a PT PMA hold Hak Milik?

No. Hak Milik is closed to any entity with foreign shareholders. A PT PMA holds HGB, a right to build, for up to 80 years: 30, then 20, then 30.

How much capital does a PT PMA need for property?

Since October 2025, Rp 2.5 bn has to be paid in. On top of that the company declares an investment plan worth more than Rp 10 bn, where land and buildings don't count. Consultants quote their setup fees case by case.

Can the capital be used to buy the villa?

Yes. The 12-month lock-up in BKPM Regulation 5/2025 allows spending on assets, construction and operations. What it blocks is moving the money back to shareholders in the first year.

Do PT PMA shareholders need a visa?

Not to own shares. A visa matters only if you plan to live or work in Indonesia, which is a separate question from owning the company.

Can one PT PMA own several villas?

Yes. That's one of its practical advantages over Hak Pakai, which is limited to one property per person or family.

How we know this

Capital figures come from BKPM Regulation 5/2025, checked against three independent legal summaries published in October 2025 and February 2026. Tax rates come from Law 7/2021 and Law 1/2022, cross-checked with published tax summaries. Title terms come from PP 18/2021. We don't quote setup fees because there's no public tariff. This is not legal or tax advice: a corporate consultant or notary should structure the company for your case.

— BKPM Regulation No. 5 of 2025 on risk-based licensing and investment through OSS, issued October 1, 2025, via Lexology, BP Lawyers and SAS Bali

— Law No. 40 of 2007 on limited liability companies

— Law No. 5 of 1960 on Basic Agrarian Principles; Government Regulation No. 18 of 2021

— Law No. 7 of 2021 on harmonization of tax regulations (corporate income tax rate)

— Law No. 1 of 2022 on central and regional fiscal relations (accommodation tax cap)

— Rise Real Bali deal practice, 2023–2026

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Disclaimer

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