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INDONESIAN GOVERNMENT REGULATION

NUMBER 103 YEAR 2015

ON

OWNERSHIP OF DWELLING OF RESIDENCY HOUSE BY FOREIGN PERSONS  
DOMICILED IN INDONESIA

BY THE GRACE OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA

considering:

a. that in order to implement the provisions of Article 42 of Law No. 5 of 1960 on the Basic Regulation of Agrarian Principles, and to give greater legal certainty of ownership of a residential house or dwellings by foreigners domiciled in Indonesia, Government Regulation No. 41 of 1996 on House ownership or occupancy by foreigners domiciled in Indonesia needs to be replaced;

b. Based on the considerations referred to in paragraph a, it is necessary to stipulate Government Regulation on House ownership or occupancy by foreigners domiciled in Indonesia.

remembering:

1. Article 5 paragraph (2) of the Constitution of the Republic of Indonesia, Year 1945;
2. Law No. 5 of 1960 on the Basic Regulation of Agrarian Principles (State Gazette of the Republic of Indonesia Year 1960 Number 104, Supplement to State Gazette of the Republic of Indonesia Number 2043);
3. Law No. 6 of 2011 on Immigration (State Gazette of the Republic of Indonesia Year 2011 Number 52, Supplement to State Gazette of the Republic of Indonesia Number 5216).

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DECIDED:

Establishing

OWNERSHIP OF DWELLING or RESIDENCY HOUSE BY FOREIGN PERSONS  
DOMICILED IN INDONESIA

Article 1

This Government Regulation refers to:

1. Foreigner based in Indonesia, hereinafter called the foreigner, is a person who is not an Indonesian citizen, who benefits, does business, works, or invests in Indonesia.
2. Single House is a house that has its own plots and no wall of the building is built right on the boundary of the plot.
3. Apartment Unit, hereinafter referred as Sarusun, is a housing unit which is mainly used separately with the main function being residential purpose and has a connection to a public road.

Article 2

- (1) Foreigner can use a house for residence or dwelling with the Right to Use (Hak Pakai)
- (2) Foreigner who may use a house mentioned in paragraph (1) is a holder of a residence permit in Indonesia in accordance with the provisions of laws and regulations.
- (3) In a case of death of foreigner, the residential or dwelling house mentioned in paragraph (2) may be inherited.
- (4) In case the heir referred to in paragraph (3) is a foreigner, the foreign heir must have residence permit in Indonesia in accordance with the provisions of laws and regulations.

Article 3

- (1) An Indonesian citizen who has married a foreigner has the same rights to the land as other Indonesian citizens.

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(2) The rights to the land as referred to in paragraph (1), is not a joint property that is evidenced by the separation agreement of assets between the husband and the wife, which is made by notarial deed.

#### Article 4

Dwelling or residency house that is used as referred to Article 2 paragraph (1) is:

a. Single house on the ground:

1. Right to Use; or

2. The Right to Use based on Right to Own granted by an agreement giving Right to Use based on Right to Own with Land Titles Registrar.

b. Sarusun built on plots utilized by the Right to Use.

#### Article 5

Foreigner is granted the Right to Use for new purchases of a Single House and the Right to Own over Sarusun based on Right to Use for new purchases of Sarusun unit.

#### Article 6

(1) Single house obtained on the ground of the Right to Use as referred to Article 4 letter a, number 1, is therefore obtained for a period of 30 (thirty) years.

(2) Right of Use as referred to paragraph (1) may be extended for a period of 20 (twenty) years.

(3) In case of the extension period as referred to paragraph (2) ends, the Right to Use can be renewed for a period of 30 (thirty) years.

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#### Article 7

(1) Single house on the grounds of Right to Use which is based on agreement as referred to Article 4 letter a, number 2 is granted the Right to Use for an agreed period of no longer than 30 (thirty) years.

(2) If the period referred to in paragraph (1) ends, the Right to Use may be extended for a maximum period of 20 (twenty) years, as agreed with the holder of land rights.

(3) In case the extension period referred to paragraph (2) ends, the Right to Use can be renewed for a maximum period of 30 (thirty) years according to the agreement with the holder of land rights.

#### Article 8

Extension and renewal as referred to Article 6 and Article 7 is only possible when the foreigner has valid residence permit in Indonesia.

#### Article 9

Agreements as referred to Article 7 shall be recorded in the land book and concerned certificates of land rights.

#### Article 10

(1) When foreigner or heir who is a foreigner, who uses a house built on the grounds of the Right to Use or on an agreement with the holders of land rights is no longer domiciled in Indonesia, within a period of one (1) year shall release or transfer the right on the house and land to other party which meets requirements.

(2) If within the period as referred to paragraph (1) the right on the house and the land have not been released or transferred to other party which meets requirements:

a. house is state auctioned in case of being built on the grounds of the Right to Use on State lands;

b. the house becomes property of the holder of land rights, in case the house was built on the grounds under an agreement as referred to Article 4 number 1 b.

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(3) Result of the auction as referred to paragraph (2) letter a, becomes a right of the former right holder.

(4) Further provisions about the Foreigner or heir who is a Foreigner, who is no longer domiciled in Indonesia as referred to paragraph (1), is regulated by ministerial regulation by a government minister who is in charge of immigration.

#### Article 11

Further provisions concerning the procedures for granting, release, or transfer of rights of using a residential or dwelling house by Foreigner are regulated by ministerial regulations / Head of body that manages government Agrarian affairs.

#### Article 12

At the time this Government Regulation comes into force, Government Regulation No. 41 of 1996 on Ownership of dwelling or residency house by Foreigner Domiciled in Indonesia (State Gazette of the Republic of Indonesia Year 1996 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 3644), is to be repealed and declared as not applicable.

#### Article 13

This Government Regulation comes into force on the date of promulgation. For public cognizance, this Government Regulation shall be promulgated in the State Gazette of the Republic of Indonesia.

Set in Jakarta,

As of December 22, 2015

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed

JOKO WIDODO

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Promulgated in Jakarta,

As of December 28, 2015

MINISTER OF JUSTICE AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

Signed

YASONNA H. LAOLY

GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2015 NUMBER 325

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## Explanation

### I. GENERAL

In order to support the increasing development of cooperation of Indonesia with friendly countries, and the growing number of foreigners working and doing business in Indonesia, resulting in increased demand for houses and residencies for foreigners, so a policy that provides certain legal framework and eases administration service and permit to obtain a right on the land for a residential or dwelling house for foreigners is needed. The ease which was decided is the still maintaining the principles of protection among others principle of nationality - that only Indonesian citizens may have the ownership right, whereas foreigners may only be granted the right to land in the form of Right to Use and Lease Rights. In connection with this, there is a need for restrictions on residence or dwelling houses that will be given to the foreigners.

#### Article 2

##### Paragraph (2)

The definition of "residence permit" consists of diplomatic, official, visiting, limited and permanent residence permits.

##### Paragraph (3)

The definition of "heritable" is a dwelling or residential house or the foreigner that will be transmitted to Indonesian citizen or foreign citizen.

#### Article 7

##### Paragraph (1)

Written agreements made between foreigner and holder of land rights for the purpose of providing legal certainty between foreigner and holder of land rights.

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Article 10

Paragraph (2)

letter a

The results of the auction are to be given to the foreigner concerned after deducting the cost of the auction as well as other costs that have been incurred.

Translated in Prague, 15 April 2016