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# *How we can help you set up business in Indonesia*



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# Roadmap for those setting up a business in Indonesia

There are a number of important issues to consider when establishing a new business in Indonesia.

## *Vision for Indonesia*

- Bank funding arrangements
- Issues relevant to Debt and Equity Offerings
- Possible future Mergers and Acquisitions
- Attracting Venture Capital
- Market aspirations
- Growth strategy
- Location of operations
- Negative investment rules

## *Tax Planning*

- Commercial requirements of the business and existing international tax structure
- Determining the most tax efficient structure
- Transfer Pricing
- Consideration of tax-efficient financing
- VAT planning
- Location of Intellectual Property Rights

## *Mode of Entry*

- Agency
- Independent distributor
- Representative office
- Branch of foreign company
- Incorporated entity
- Joint venture
- Acquisition
- Exit strategy

## *Our Business Services*

We focus our services to meet the needs of businesses entering the Indonesian market. We recognise the need for intensive support in the critical period when you first enter Indonesia.

Our business services can be tailored to meet your specific needs, allowing you to select services appropriate to your situation; they are co-ordinated using a team which includes both foreign and Indonesian members.

We can address the following issues in order to ensure a smoother market entry.

## ***Planning***

We can help you to plan your investment in Indonesia :

- Review your international structure and objectives in Indonesia
- Consider financing options for your operation
- Recommend the most suitable structure from regulatory and tax perspectives
- Advise on the incorporation process: especially requirements and time frame
- Value added tax (“VAT”) planning
- Advise on profit repatriation and exit strategies
- Advise on inter-company pricing (transfer pricing)
- Review inter-company service agreements

## ***Key Relationships***

Make contact with:

- Banks
- Lawyers
- Commercial real estate agents
- Executive search agencies
- Business centers

## ***Establish Entity***

- Establish an entity using our in-house team of specialists
- Prepare incorporation documents in Indonesian and English
- Carry out registration for obtaining licenses and tax registrations from various government agents
- Attend to post-incorporation regulatory filing requirements
- Provide corporate secretarial services
- Provide direction regarding grants and government financial assistance

## ***Tax Compliance***

- General tax consultation and tax planning
- Prepare corporate income tax returns
- Prepare VAT returns
- Prepare withholding tax returns
- Assist with tax audits and tax dispute resolutions

## ***Human Resources (“HR”)***

- Deal with immigration services
- Prepare application for various permits and registrations
- Prepare employment contracts and employment regulation
- Design HR Policy
  - Compensation planning and structures for both Indonesian and expatriate employees
  - Stock options
  - Retirement plans
  - Tax efficient bonuses, incentives, and stock option schemes
- Prepare individual income tax returns (Indonesia, United States, and other countries) for employees
- Carry out an HR compliance check
- Advise on employment retrenchment, termination payment and process

## ***Payroll***

- Establish Indonesian payroll
- Register for withholding tax
- Register for social security insurance
- Provision of a full outsourcing comprehensive payroll service including payment and administration of tax related matters.
- Establish trust account to receive funds

## Accounting and Reporting

- Manage cash and administration via a trust bank account service
- Maintain records.
- Prepare management reports and statutory and non-statutory accounts in accordance to Generally Accepted Accounting Principles (“GAAP”) accounts at agreed intervals.
- Prepare financial models and projections

## Customs

Carry out the following tasks:

- Valuation and Classification
  - Identify and mitigate risk areas
  - Reviewing and obtaining pre-importation classification ruling
- Post Clearance Audit
  - Customs Compliance Reviews
  - Identify and mitigate exposures areas
- Trade Issues
  - Identify opportunities for duty refunds or exemptions
  - Prepare and obtain Asean Industrial Cooperation (“AICO”) approval
- Disputes
  - Provide an independent objective opinion
  - Be an intermediary between Customs and the Client
  - Formulate and advise on the best defense strategy

## Transactions

- Carry out due diligence for acquisition of an existing company
- Carry out the procedures for an acquisition
- Carry out the legal merger process
- Obtain tax neutral merger approval

***Our team will be happy to deal with any enquiries:***

**PT Prima Wahana Caraka**

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