



## Introduction to Tiger Consulting Indonesia (Legal name- PT. Tiger Consulting)

### PT. Tiger Consulting

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### Key Country Facts

#### Official Language

There are as many languages spoken as there are people of different ethnic backgrounds gathered in Indonesia. Bahasa Indonesia is the national language.

**Currency:** Indonesian Rupiah (IDR)

**Time Zone:** Indonesia has 3 time zones:

- Western Indonesia standard time equals to UTC +7, covering all provinces in Sumatra, Java, and West and Central Kalimantan.
- Central Indonesia standard time, equals to UTC+8, covering provinces of East and South Kalimantan, all provinces in Sulawesi, Bali, and West and East Nusa Tenggara.
- East Indonesia Standard Time, equals to UTC+9, covering the provinces of Maluku and West Papua.

**Capital City:** Jakarta (Java Island)

**Laws and Customs:** The Constitution of Indonesia (Undang-Undang Dasar 1945) is the basis for the government of Indonesia and the common law system.

**Cultural observations** Indonesia is the largest archipelago in the world, comprising of around 17,500 islands, situated between 2 continents, Asia and Australia and 2 oceans, the Pacific and Indian Ocean. With a population of 237 million (2010 census), Indonesia is the 4<sup>th</sup> largest population in the world after China, India, and the USA. There are over 300 ethnic groups in Indonesia; with 95% of them having native Indonesian ancestries. The largest ethnic group is Javanese who make up 41% of the total population.

About 88% of the population of Indonesia is Muslim. Other religions with fewer followers are Christian, Hinduism, Buddhism, and Taoism.

## Establishing a company/legal entity in Country

**Employment:** Indonesians may work at will. Foreign workers and expatriates must possess valid working visas, work passes, and employment passes prior to commencing work.

**Working Hours:** 40 hours per-week.

**Banking and payments:** There are 5 state owned banks, 11 foreign banks, and around 115 private banks operating in the country, most of them have head offices in Jakarta.

**Visa's & work permits:** Foreigners and expatriates who wish to work in Indonesia are required to possess permitted passes from the Human Resource Ministry and Immigration Office.

## Public Holidays

- New Year's Day January 1
- Birthday of Prophet Muhammad (date will move slightly each year)
- Chinese New Year (date will move slightly each year)
- Balinese 's Day of Silence (date will move slightly each year)
- Good Friday (date will move slightly each year)
- Buddha's Vesak Day (date will move slightly each year)
- Ascension Day of Jesus Christ (date will move slightly each year)
- Hari Raya Aidilfitri (date will move slightly each year)
- Independence Day August 17
- Muslim Day of Sacrifice (date will move slightly each year)
- Muharram (Islamic New Year) (date will move slightly each year)
- Christmas Day December 25

## Tax & Social Security

### Employee Withholding Income Tax

Employers have responsibility to withhold employees' income tax every time they pay their salary, other allowances, and benefits. The deduction is based on Article 21 Income Tax Act. The rates are progressive, starting from 5% and increasing gradually up to 30% for the higher income layers.

### Jamsostek Social Security

Jamsostek is mandatory for every employment in Indonesia, especially for local employees. Depending on the type of business, the rate ranges from 6.24% to 7.74% of the fix income, from which 2.00% is employee contribution.

The breakdown of the rate is as follows:

- Work Accident Insurance, ranging from 0.24% to 1.74%, depending on type of business.
- Life Insurance, 0.30%
- Pension Fund, 3.70% employer contribution and 2.00% employee contribution.

In addition to the above, the company can insure its employees with Jamsostek Health Insurance (3.00% for single employee, 6.00% for married employee). This insurance is not mandatory, provided that the company has offered a better health insurance choice than what Jamsostek offers.



## ***Transportation***

While city public transportation is generally still in poor condition in Indonesia, there are always taxis and premium cabs available at reasonable rates.

## ***Food***

There are many restaurants that serve a fine range of cuisine from across the world. Within most of these cuisines there are good selections of restaurants, from low-cost to expensive. Or if you have the urge to cook your own food, you can always find your ingredients in some specialty grocery stores.

If you like to try local foods, you can find a wide range of local foods from different ethnic backgrounds in Indonesia. Restaurants featuring Indonesian cuisine can be found all over Jakarta and other urban centres. Many regional dishes are popular far from home, including the spicy hot Padang food, delicious chicken from Kalasan in Central Java, grilled fish from Ujung Pandang, and delicious Chinese seafood dishes. A good place in Jakarta to get a quick introduction to Indonesian cuisine would be at a mall food court. Here, you can actually see the various dishes being prepared and sample different specialties until you discover your favorites.