



DEWAN EKONOMI NASIONAL  
REPUBLIK INDONESIA

**Family Office and Special Economic Zone –Indonesia  
Financial Centre  
for Blended Finance**

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June 2025

# Many countries develop their financial centre with a clear focus on ensuring attractiveness and confidence for investors

Through strong legal frameworks, competitive tax regimes, and quality of life



Singapore



- Entire country functions as a financial hub
- Top-tier **private banking and wealth management** ecosystem
- Strong legal certainty under **common law**
- Tax exemptions for family offices (**Section 13O/13U**)



Hong Kong



- Entire territory is a financial hub
- Reliable **common law** and **independent courts**
- Well-established **private banking and wealth management** sector
- Family office tax concessions** (effective 2022) to attract UHNW families



Abu Dhabi  
Global Market



- Adopt English common law**, while UAE use Sharia-based system
- Four independent governing bodies** ensuring efficient financial centre operations
- Strong **international promotion** and **global positioning** through partnerships
- Zero corporate tax, 100% foreign ownership, no capital gains tax**



Dubai International  
Financial Centre



- Use common law system**, distinct from UAE domestic law
- Three independent authorities** for smooth centre governance
- Integrated **live-work-play infrastructure** meeting global standards
- 0% corporate tax for up to 50 years, no capital gains tax**

***Indonesia needs a financial hub that is on par with other global financial centers, but with opportunities to invest in the real sector, sustainable ventures, and philanthropic initiatives***

# Proposal : Establishing a Special Economic Zone – Indonesia Financial Centre as an entry point for investment into Indonesia, with regulations and infrastructure that ensure security and convenience for investors



## Indonesia Financial Centre :

An entry point to invest in Indonesia

### Unique Selling Proposition

**Matchmaking function with opportunities to invest in real sectors (manufacture, tourism, healthcare, etc.), sustainable investment (carbon credit, climate, etc.), and philanthropy initiatives; including to co-invest with Danantara**

1

#### Strong legal system using Common Law

A civil and commercial legal system based on international standards and Common Law that provides security and familiarity for investors

A specialized court with international standards that is familiar to investors

- Precedent system
- Composed of both local and foreign judges experienced in common and international law
- Appellate decisions are finalized within the specialized court
- More flexible and transparent procedural and litigation system

2

#### Tax and Immigration benefits

Domestic and global investment Tax benefit for investor that set up business in IFC

Tax benefit for employee in IFC

Golden visa for foreign employee & Investor Family

#### Easy company registration

- One-stop registration
- Exempted from holding regulatory license for SFO

**Funds should be structured similar to other jurisdictions** e.g. trust fund and non trust funds

3

#### Comprehensive and innovative financial and product offerings

FSA integrated across all financial sectors

Family Office

Trust Fund

Venture Capital

Private Equity

Foreign stock & mutual fund

Hedge Fund

Asset and vault management – Bonded Warehouse

Green Bond

Impact investment – blended finance

Commodities trading (ETF, energy, nickel, copper, carbon credit, digital assets, etc.)

4

#### Quality of life: Urban development for work, live, and play

Healthcare (Foreign doctors, International Hospital, Aesthetic Clinic)

Residential

Hotels

Office Building

Innovation Hub

Entertainment (mall, market, restaurant, sport & recreation, etc.)

Education (International standard school, research institute)

### Hygiene Factor

### Enabler

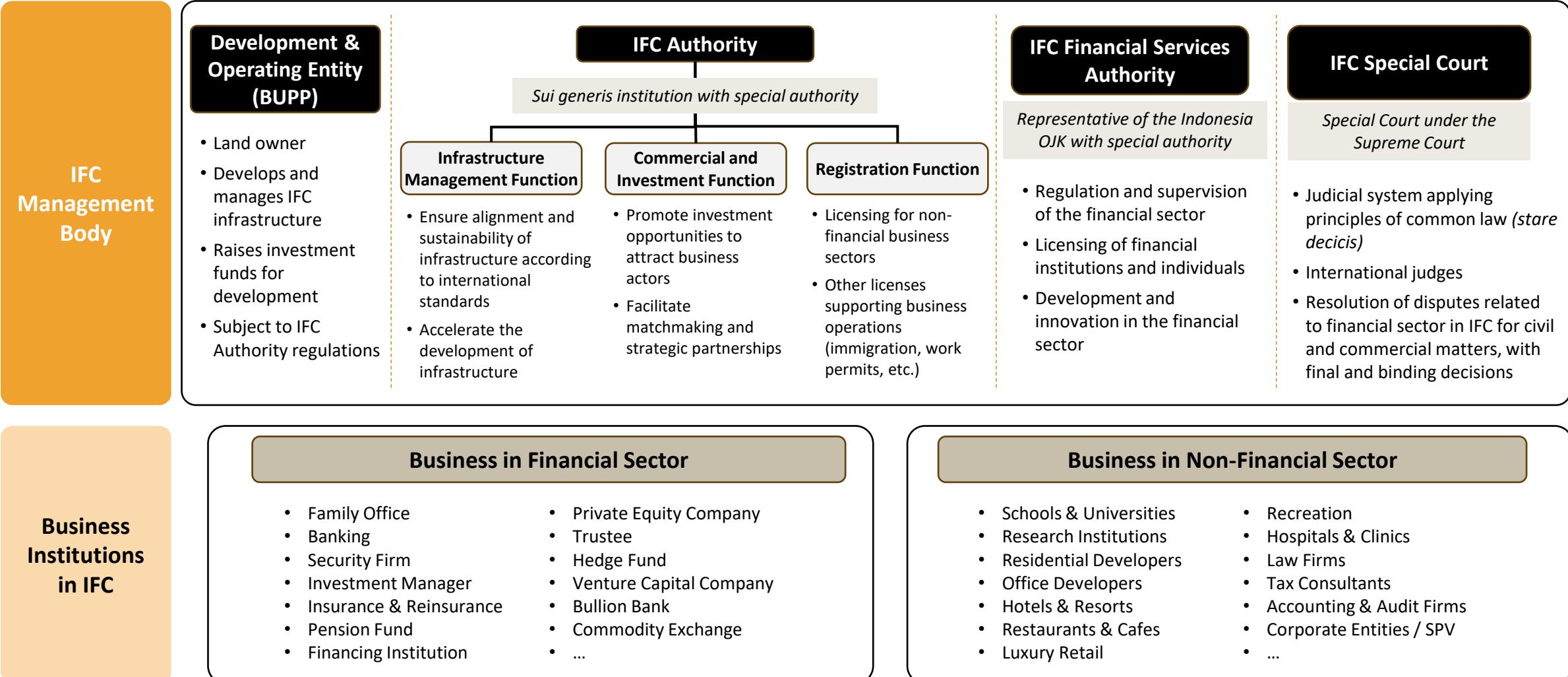
#### Capacity Building / Talents Development

#### Connectivity / Logistics

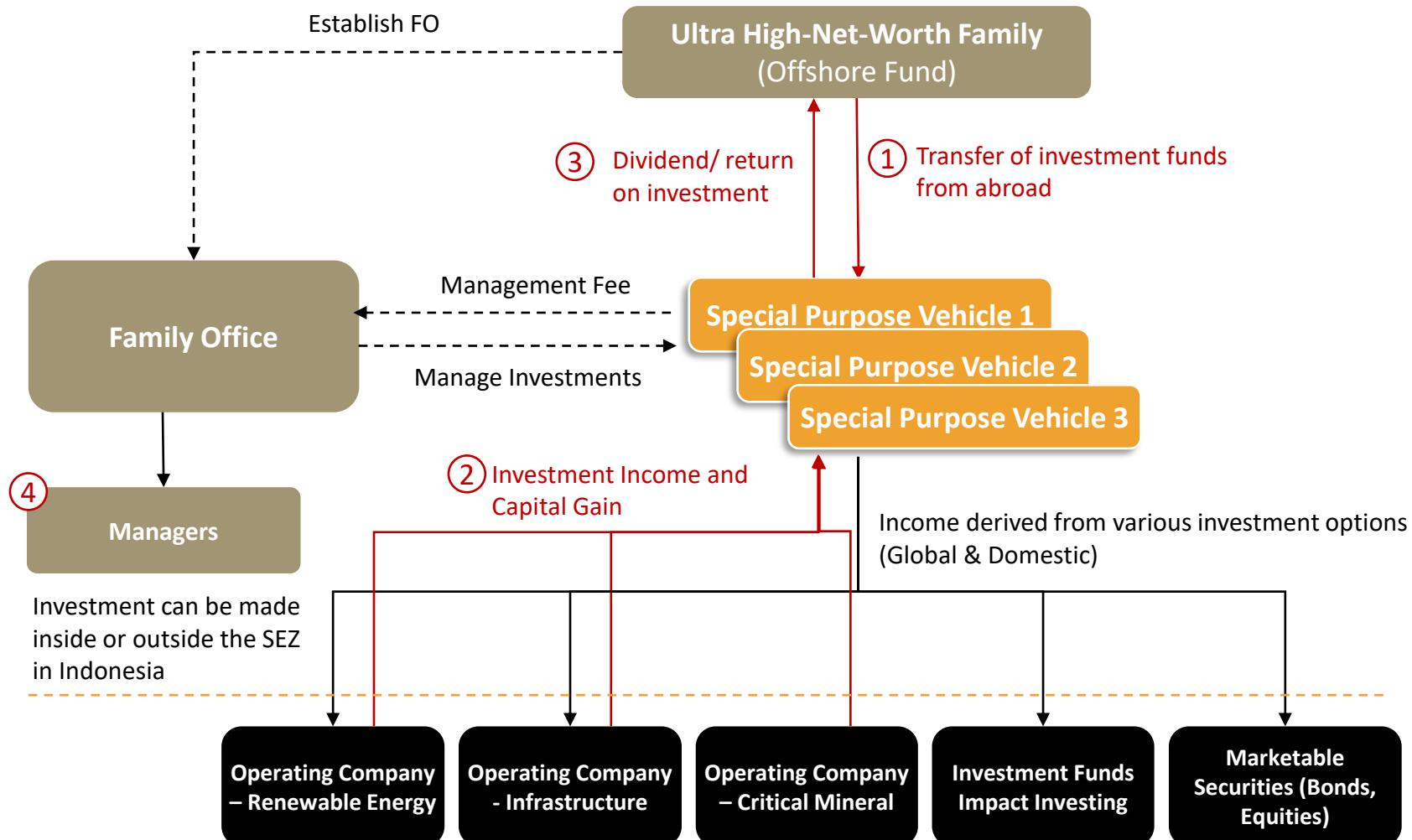
#### Capital Mobility

#### Basic Infra (e.g. Broadband)

# Administrative bodies other than the Development and Management Entity need to be established to oversee the implementation of the Indonesia Financial Centre



# Investment Fund Transaction Structure through a Special Purpose Vehicle in the IFC with a Family Office as Fund Manager



## Tax Benefit Proposal

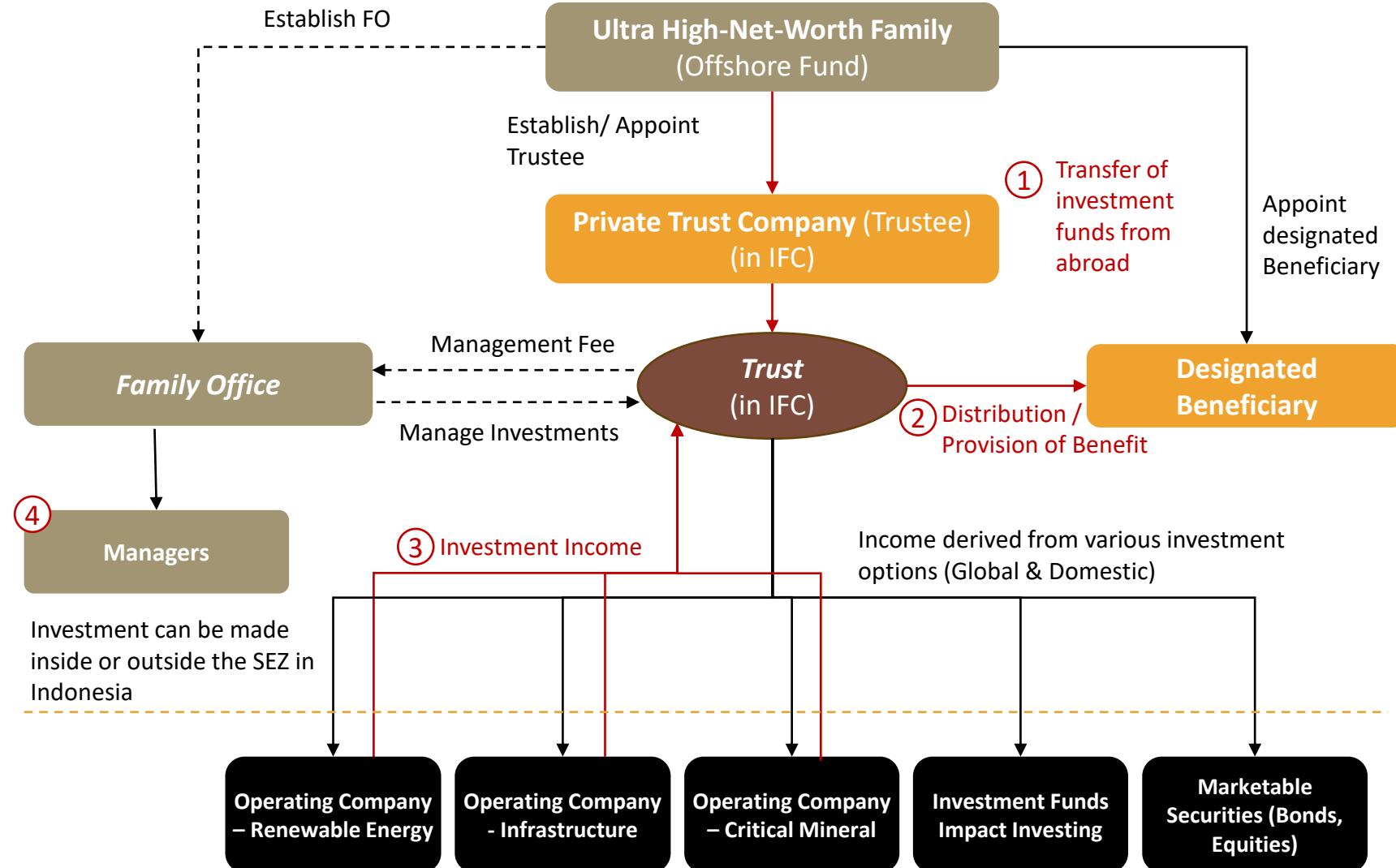
**1** Investment funds from abroad to the IFC is not taxable (we are also exploring tax declaration facility)

**2** Investment income/ dividend and capital gain generated from operating companies are tax exempted

**3** Dividend to the shareholders (UHNW) is not subject to withholding tax

**4** Foreign investment managers are only subject to income tax on Indonesia-sourced income

## Onshore Trust Fund-Based Transaction Structure in the IFC with a Family Office as Fund Manager

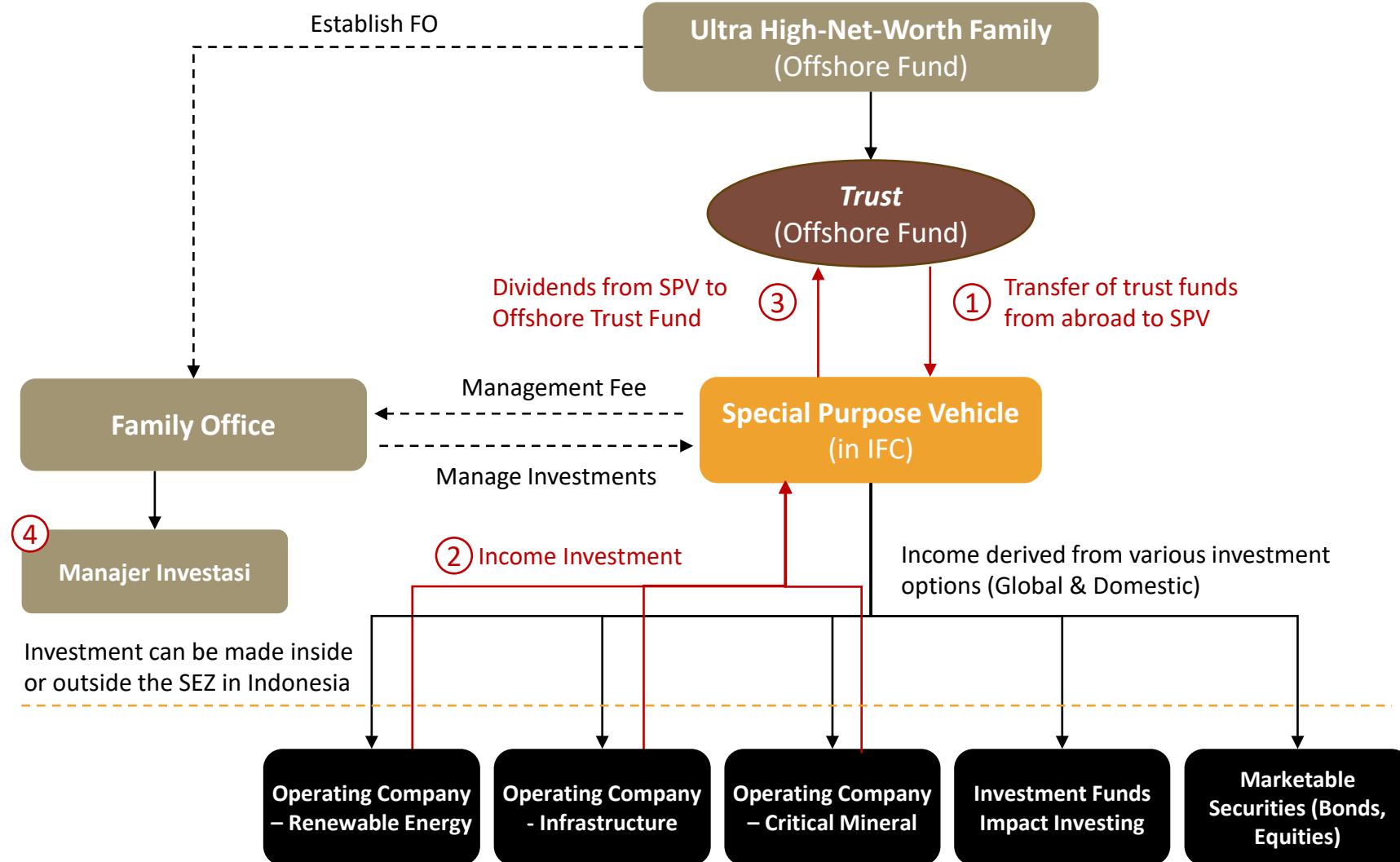


### Tax Benefit Proposal

- 1** **Funds from abroad to Trust**  
**Fund the IFC** is not taxable  
(we are also exploring tax declaration facility)
- 2** **Distribution of benefits to**  
designated beneficiaries is not taxable
- 3** **Investment income/**  
**dividend** generated from operating companies are tax exempted
- 4** Foreign investment managers are **only subject to income tax on**  
**Indonesia-sourced income**

3

# Transaction Structure Using a Special Purpose Vehicle with Offshore Trust Funds and a Family Office as Fund Manager



## Tax Benefit Proposal

- 1 Offshore Trust funds transferred and deposited into the SPV
- 2 Investment income/ dividend generated from operating companies are tax exempted
- 3 Dividend to the shareholders (UHNW) is not subject to withholding tax
- 4 Foreign investment managers are only subject to income tax on Indonesia-sourced income

# Indonesia offers a wide range of investment opportunities, with significant potential for blended financing (1/2)



## Transition to Renewable



## Resilient and Healthy Community



Sector	Renewable Energy	Bio-Based Products	Critical Minerals	Healthcare/ Longevity	Waste Management
Indonesia Advantages	<ul style="list-style-type: none"> <li><b>Geothermal:</b> 2nd largest reserve in the world with 357 sites along the Ring of Fire</li> <li><b>Solar Power:</b> Average solar radiation 4.8 kWh/m<sup>2</sup>/day year-round, technical potential ~207.8 GW</li> </ul>	<ul style="list-style-type: none"> <li><b>Seaweed:</b> production ~9.7 million tons/ year</li> <li><b>Palm Oil:</b> 44.1 million tons/ year (57% world production)</li> <li>Indonesia already has 1,658 MW biomass + 117 MW biogas capacity, with plans to scale to 5.5 GW by 2025</li> </ul>	<ul style="list-style-type: none"> <li><b>Nickel:</b> ~21 million tons (world's largest reserves)</li> <li><b>Cobalt:</b> ~139,000 tons</li> <li><b>Copper:</b> ~3.1 billion tons of ore; Grasberg is one of the world's largest mines</li> <li><b>Bauxite:</b> ~1.2 billion tons</li> <li><b>Tin:</b> ~800,000 tons of proven reserves (2nd largest global producer)</li> </ul>	<ul style="list-style-type: none"> <li><b>Healthcare Workforce:</b> health worker ratio 54.2 per 10,000 population, above the SDG WHO minimum standard (45.5)</li> <li><b>Caregivers/Nurses:</b> 633,000 nurses (2020)</li> <li><b>Potential Locations for Long-Term Care &amp; Medical Tourism:</b> Bali (Sanur healthcare), Bandung Cool weather, many rehabilitation centers)</li> </ul>	<ul style="list-style-type: none"> <li><b>Land-based waste:</b> ~64 – 68 million ton/ year</li> <li><b>Sea waste:</b> ~1.2 million ton/ year</li> <li><b>Waste Banks:</b> 17,000 active community units</li> </ul>
Potential Investment	<ul style="list-style-type: none"> <li>Green hydrogen initiatives</li> <li>Geothermal power plants</li> <li>Solar farm</li> </ul>	<ul style="list-style-type: none"> <li>Bioethanol plant</li> <li>Bio-Stimulant &amp; Biofertilizer</li> <li>Palm-Based Biodiesel Refinery</li> </ul>	<ul style="list-style-type: none"> <li>EV battery manufacturing</li> <li>Smelters and fabrication plants for renewable energy hardware</li> </ul>	<ul style="list-style-type: none"> <li>Private hospitals</li> <li>Long-term care and elderly homes</li> <li>Medical tourism resorts</li> <li>Rehabilitation and wellness centers</li> </ul>	<ul style="list-style-type: none"> <li>Waste-to-Energy Plants (WtE)</li> <li>Organic Waste Digestion</li> <li>Circular Economy Hubs</li> </ul>

# Indonesia offers a wide range of investment opportunities, with significant potential for blended financing (2/2)



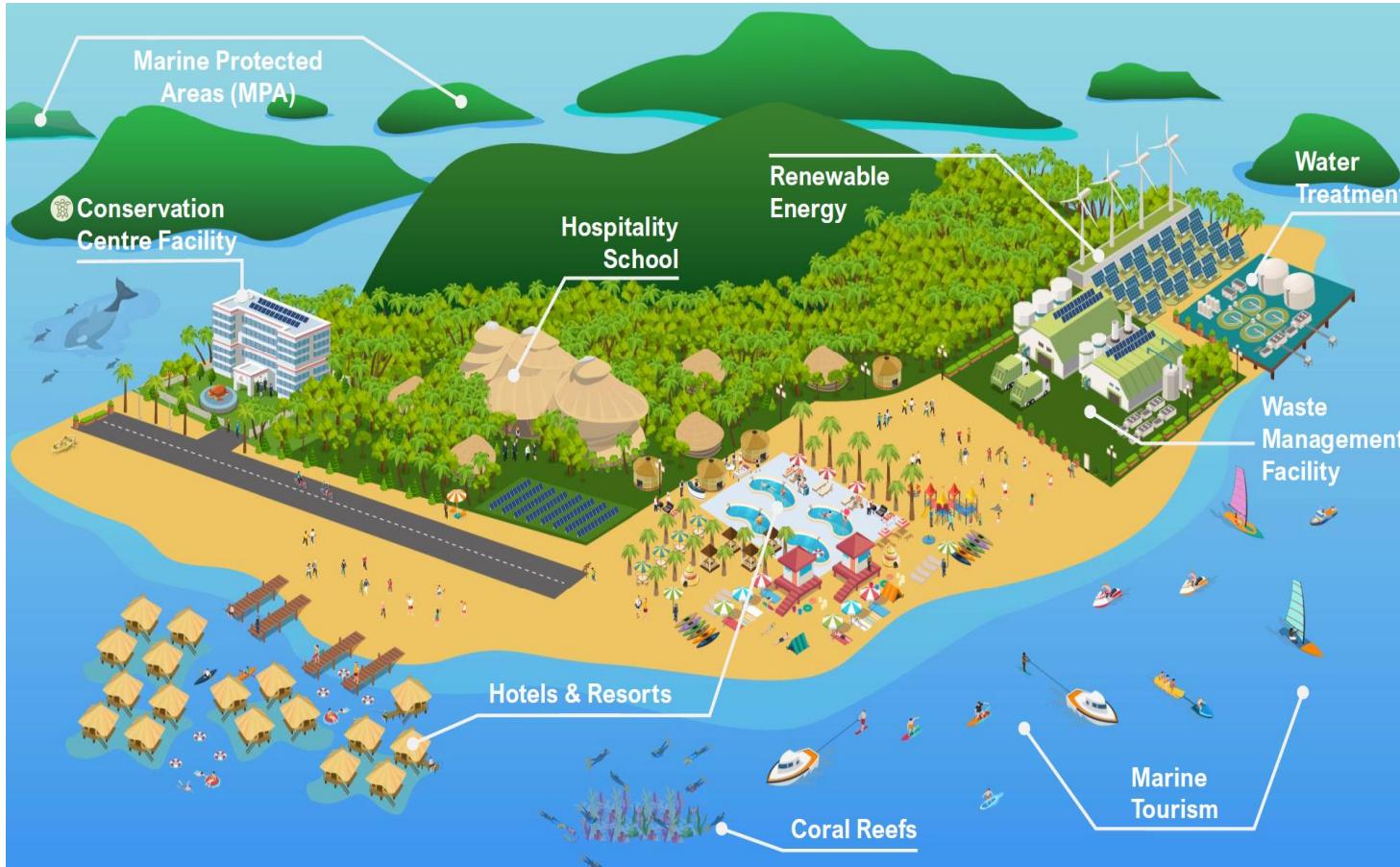
## Nature, Culture, & Community

Sector	Biodiversity	Art & Culture	Manpower
Indonesia Advantages	<ul style="list-style-type: none"><li><b>Coral Reefs:</b> ~2.5 million hectares (18% of global reefs), ~569 species</li><li><b>Marine Fish:</b> ~8,500 species — among the highest diversity globally</li><li><b>Bird Species:</b> ~1,700 species (the top 5 countries worldwide)</li><li><b>Mangroves:</b> ~3.3 million hectares (largest mangrove area globally)</li></ul>	<ul style="list-style-type: none"><li><b>Rich and diverse cultural heritage</b>, with over 1,300 ethnic groups and unique local traditions</li><li><b>Recognized UNESCO cultural heritage</b>, such as batik, angklung, and the Wayang puppet theater</li><li><b>Vibrant performing arts</b>, including traditional dance, gamelan music, wayang kulit, etc</li></ul>	<ul style="list-style-type: none"><li><b>Working-Age Population:</b> Approx. 215 million people; active workforce approx. 152 million (2024)</li><li><b>Competitive Labor Cost:</b> Indonesia's average minimum wage lower than other countries</li></ul>
Potential Investment	<ul style="list-style-type: none"><li>High Quality Tourism</li><li>Coral reef restoration programs</li><li>Mangrove conservation and carbon credits</li></ul>	<ul style="list-style-type: none"><li>Cultural tourism resorts and heritage sites</li><li>Cultural festival and performing arts centers</li><li>Museums and cultural preservation projects</li></ul>	<ul style="list-style-type: none"><li>Local Talent for Green &amp; Blue Jobs</li><li>EV assembly facilities</li><li>Eco-Tourism and Community-Based Tourism</li></ul>

# One of the most promising sectors for investment is the development of High-Quality Sustainable Tourism (HQST) in areas with high marine biodiversity



## Basic Concept of HQST



## Case: Raja Ampat

### Tourism Appeal

- Last Paradise on Earth
- **75% of world's bio diversity**
- 97% of Raja Ampat is **conservation area**

### Potential Issue

- Insufficient **number of Mooring System** risks to coral reef
- Rising activity levels pose a threat of **pollution and ecological harm**
- Inefficient **waste management**

### Government Support

- Master Plan to develop Raja Ampat has been regulated by **Presidential Decree**
- Potential to be developed as a **Special Economic Zone (SEZ)** to receive special incentives.

# Tropical seaweed as a green gold offers an opportunity that supports the environment, strengthens coastal communities, and unlocks sustainable commercial value



## Blue Carbon

Coastal ecosystems captures blue carbon naturally to be stored in their biomass. This will help fight climate change and impactful alternative to reduce carbon emissions.



## Biofuel Development<sup>1</sup>

Seaweed-based biofuel offers a sustainable alternative to fossil fuels but needs improved cost efficiency and scalable raw material supply.



## Bio-Stimulants

Bio-stimulants reduce reliance on NPK fertilizers, improve soil health, and can boost crop yields by up to 42% compared to conventional methods.



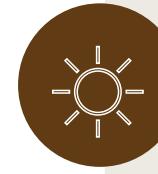
## 0.8 percent

With only 0.8% of 12 million hectares under utilized, Indonesia's vast aquaculture potential offers room for significant growth in seaweed development.



## Reliable

Seaweed farmers benefit from frequent harvests and earn nearly twice as much as rice farmers, contributing significantly to poverty alleviation in coastal communities.



## 45 Days

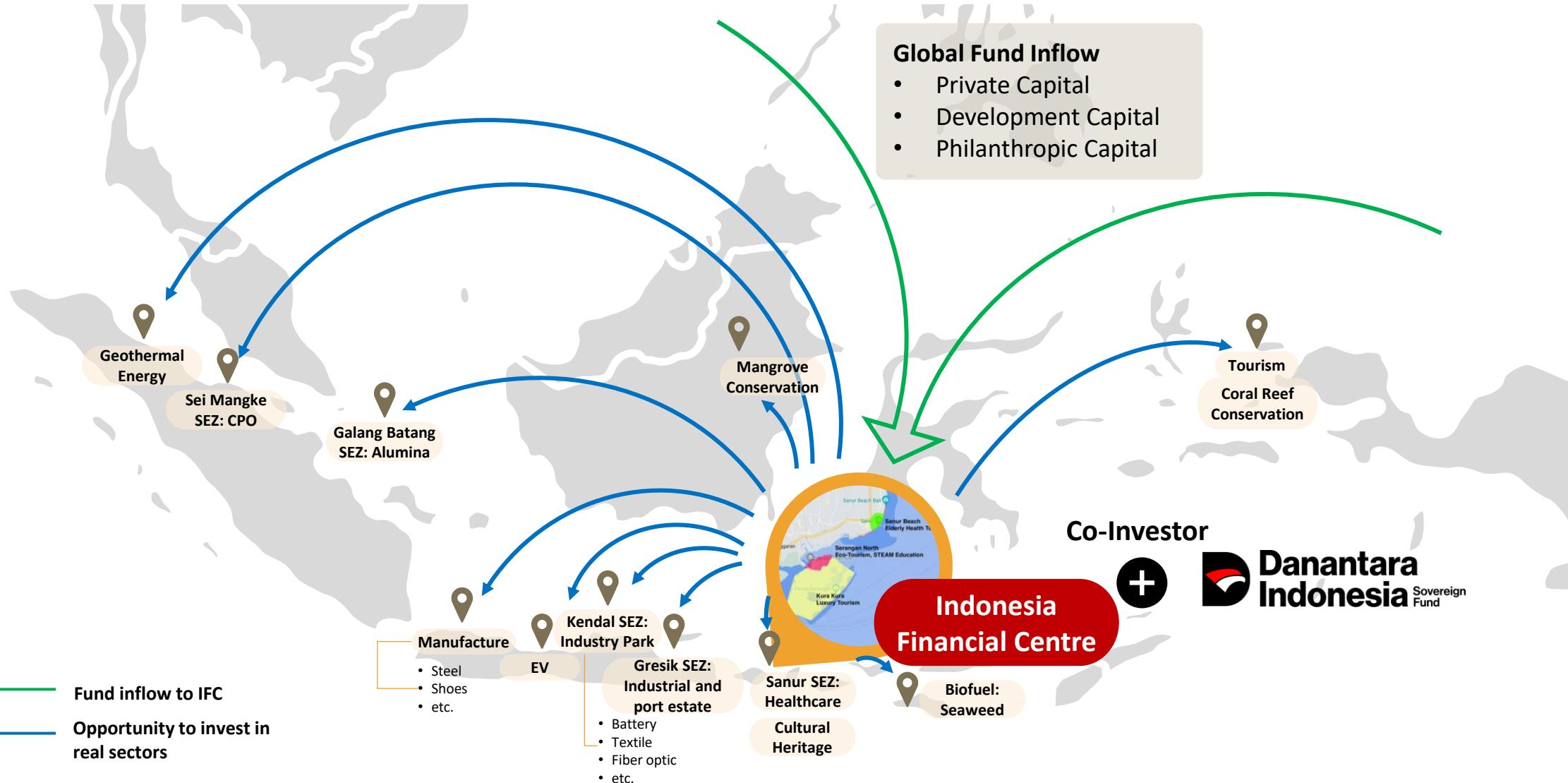
Seaweed can be harvested up to eight times a year, providing steady income for farmers and ensuring consistent use of farming equipment.

*At the same time, seaweed farming can alleviate poverty along the shorelines*

- Indonesia has established International Tropical Seaweed Research Centre (ITSRC) in Bali in partnership with Sea 6
- Indonesia is expanding this Research through Partnership with UC Berkeley



Various types of investor funds entering through the IFC have the opportunity to be reinvested in the real sector, sustainable investments, and philanthropic initiatives;  
Investors can also co-invest with Danantara





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**TERIMA KASIH**