DOMA

A WEEKLY INVESTOR JOURNAL ON BALI REAL ESTATE

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LEAD STORY

Bali closes 18 business sectors to new foreign companies — real estate included

The first issue of the weekly DOMA Journal. Nine days that changed how foreigners enter Bali's rental business: the licensing portal shut for new PMAs, land revalued digitally, the policy rate held at 5.75% and the rupiah near 18,000 to the dollar.

18	5.75%	623,592
KBLI codes closed to new PT PMA — including 68111, real estate	Bank Indonesia holds its policy rate for the third meeting	arrivals in Bali in June — up 3.5% year on year

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> Three events between 18 and 26 July that directly affect an investor's money in Bali property.

01

The week in three stories

01 The province shut OSS to new PMAs in 18 sectors

On 23 July Governor Wayan Koster confirmed that applications from new foreign companies under 18 low and medium-low risk KBLI codes are automatically rejected by the online licensing system. The list includes 68111 — real estate, owned or leased — plus hotels under 6,000 sqm, cafés, vehicle rental and consulting. In practice the block has been live since the third week of May.

02 Bank Indonesia holds at 5.75% as the rupiah slips

The 21–22 July meeting left the rate unchanged, with the deposit facility at 4.75% and lending at 6.50%. The regulator chose to court portfolio inflows rather than defend the currency; the rupiah closed the week near 17,977 to the dollar.

03 Land has been formally revalued in digital form

Regulation ATR/BPN No. 3/2026, in force since May 2026, separates the value of land from the buildings on it, and a correct valuation now requires an electronic certificate. Consultants put the valuation gap between a full digital file and a paper one at 20–40%.

02

Law and deal structure

REGULATION

18 KBLI codes closed to new foreign companies

The Bali provincial government has restricted access to the Online Single Submission (OSS) system for new PT PMAs across 18 low and medium-low risk activities. Applications under those codes are rejected automatically; the measure was agreed with the investment minister, has applied since the third week of May 2026 and was announced publicly on 23 July.

The list covers 68111 (real estate, owned or leased), 55110 and 55120 (hotels and melati class), 55900 (other accommodation), 56303 (cafés), 77100 and 77311 (car and motorbike rental), 70204 and 70209 (consulting), retail, tailoring and sports facilities. Governor Koster's stated motive: foreign firms were squeezing out local small business by entering low-risk categories that need only a basic NIB number and a virtual office.

One detail matters: the restriction applies to new registrations. Companies that obtained an NIB and licences earlier continue to operate — under tighter audits and with LKPM reporting obligations until the code is deactivated in the system.

Sources: ANTARA Bali, Kompas, Bali Tribune, baliprov.go.id — 23.07.2026. No regulation number has been published: officials describe it as an administrative block on codes inside OSS.

WHAT IT MEANS FOR AN INVESTOR

The familiar route — buy a villa, then set up your own new PT PMA under 68111 to run it as a rental — no longer assembles in Bali. Two paths still work: a direct leasehold (Hak Sewa), which carries the right to build, rent out and transfer, and buying from a developer whose structure and land designation are already correct. Existing PMAs holding those codes have jumped in price, but buying someone's company means buying its history and liabilities too.

COMPLIANCE

Coretax is now the only tax system

The Directorate General of Taxes confirmed that supervision, collection, appeals and filings run exclusively through Coretax, with no manual processing outside the system. Data on transactions, owners and payments is reconciled automatically.

Sources: Antara News, 07.2026; The Jakarta Post, 15.07.2026

WHAT IT MEANS FOR AN INVESTOR

Understating the contract price or holding property through a grey structure is no longer quietly survivable: the mismatch surfaces without an inspector opening a file. Plan tax from the real transaction price and keep contract, payment and filings telling one story.

03

Money: rate, rupiah, tax

MACRO

Bank Indonesia keeps the policy rate at 5.75%

The 21–22 July meeting left BI-Rate unchanged, the deposit facility at 4.75% and lending at 6.50%. The regulator widened incentives for foreign portfolio inflows while the rupiah was under pressure; the 2026–2027 inflation target stays at 2.5% ±1%.

Markets had expected a firmer signal, so the rupiah weakened anyway — about 17,977 to the dollar at the week's close, with the official tax rate for 22–28 July set at 18,056.

Sources: ANTARA, 22.07.2026; Pintu News, 24.07.2026; KMK 33/MK/EF.2/2026

WHAT IT MEANS FOR AN INVESTOR

A softer rupiah is a tailwind for a dollar-based buyer: both the entry price and the running costs get cheaper in dollar terms. But the exchange rate is not a guarantee you can model — calculate returns in the currency you are actually paid in, and check which currency your contract is fixed in.

FINANCE

Bali is the leading candidate for the national financial centre

Coordinating Minister for the Economy Airlangga Hartarto and Investment Minister Rosan Roeslani inspected sites on the island: state-owned land near Ngurah Rai airport, special economic zones and West Bali. A decision follows the financial centre law; launch is targeted before the end of 2026.

Discussed incentives include corporate tax exemption and income tax relief for foreign staff. Critics point to a shortage of qualified staff and to height and land-use limits.

Sources: CNBC Indonesia, 21.07.2026; Hey Bali News, 23.07.2026

WHAT IT MEANS FOR AN INVESTOR

The practical signal is not the financial centre itself but the likely heating of land prices in the south and closer regulatory attention to deal structures. If you are buying in the south, price the entry conservatively; projects outside the speculative belt offer more predictable economics.

04

Land and permits

LAND

Digital land revaluation: a 20–40% valuation gap

Regulation ATR/BPN No. 3/2026, effective since May 2026, formally separates land value from buildings. A correct valuation requires an electronic certificate; a paper file leaves the asset in the old coordinate system.

Consultants estimate that a complete digital file adds 20–40% to appraised value, simply because banks, valuers and buyers can verify it.

Sources: Seven Stones Indonesia, 07.2026; ARMA Law, 2026

WHAT IT MEANS FOR AN INVESTOR

Two villas that look identical are now worth different amounts, and the difference is the paperwork on the land. Check the certificate and its digital status before the deposit: it is the cheapest fix before a deal and the most expensive omission after one.

ZONING

Less concrete: a 30% green rule and rice-field protection

The provincial council is pushing a rule that at least 30% of a plot stays open green space, driven by flooding and water absorption. It is still a draft. Governor's Instruction No. 5/2025 already bans land conversion in several zones, while projects that hold permits are allowed to finish.

Between 2019 and 2024 the island lost 6,521 hectares of farmland — 9% of its agricultural base; Denpasar's rice terraces shrank by 38%.

Sources: Seven Stones Indonesia, 07.2026; The Bali Sun, 2026

WHAT IT MEANS FOR AN INVESTOR

Tighter rules cut future supply and raise the value of projects whose permits are already issued. For a buyer that is an argument for assets with a complete KKPR/PBG file and correct zoning — they win on both delivery dates and resale price.

05

Visas, immigration, arrivals

IMMIGRATION

Working on a tourist visa: deportations and blacklists

In the first half of 2026 Bali deported 342 foreigners for overstays, working outside their permit status and public order offences. On 22 July the Singaraja office deported three people for working on VOA and BVK permits; on 24 July two Dutch nationals were blacklisted over a members-only running club in Canggu.

Immigration also restated that extending a VOA or a stay permit requires appearing in person at an office — remote extension is no longer possible. The fee is IDR 500,000, and overstaying costs IDR 1 million per day.

Sources: Bali Discovery, 07.2026; The Bali Sun, 22.07.2026; ANTARA, 24.07.2026; Hey Bali News, 24–25.07.2026

WHAT IT MEANS FOR AN INVESTOR

Running your own rental while on a tourist visa risks deportation and an open-ended entry ban. Operations belong with a licensed management company, and your stay permit should match what you actually do on the island.

ARRIVALS

June: 623,592 visitors, up 3.5% year on year

June arrivals rose 3.5% against June 2025 (602,634), with Australia contributing 161,000. January to May still runs slightly negative: 2,598,143 arrivals, down 1.77%.

PHRI puts high-season occupancy at 70–80%, around 79% in Nusa Dua and Badung. Official BPS data for April shows 57.94% in star-rated hotels.

Sources: ANTARA, 13.07.2026; PHRI Badung, 03.07.2026; BPS Bali, 02.06.2026; Tribun Bali, 10.07.2026

WHAT IT MEANS FOR AN INVESTOR

Demand is shifting toward longer, higher-quality stays rather than raw traffic growth. For a rental model that means favouring assets that win at long-stay — privacy, a pool, a workspace — over chasing the maximum number of check-ins.

06

The market in numbers

Confirmed data only, each figure with a date and a source. We do not publish numbers we cannot attribute.

5.75%

Bank Indonesia policy rate, unchanged since 22 July

17,977

Rupiah to the dollar, close of 24 July

+0.87%

Bali residential price growth, Q1 2026, year on year

INDICATOR	VALUE	SOURCE AND DATE
Bank Indonesia policy rate (BI-Rate)	5.75%	ANTARA, 22.07.2026
BI deposit / lending facility	4.75% / 6.50%	ANTARA, 22.07.2026
USD/IDR spot	17,977	Pintu News, 24.07.2026
Official tax rate USD/IDR, 22–28 July	18,056	KMK 33/MK/EF.2/2026
Arrivals in Bali, June 2026	623,592 (+3.5% y/y)	ANTARA, 13.07.2026
Arrivals in Bali, Jan–May 2026	2,598,143 (−1.77%)	PHRI Badung, 03.07.2026
Star hotel occupancy, April 2026	57.94%	BPS Bali, 02.06.2026
High-season occupancy, estimate	70–80%	Tribun Bali, 10.07.2026
Bali residential prices, Q1 2026	+0.87% y/y	Bank Indonesia, 21.05.2026
Golden visas issued since July 2024	1,274	Social Expat, 09.07.2026
Foreigners deported, H1 2026	342	Bali Discovery, 07.2026
Farmland lost, 2019–2024	6,521 ha (−9%)	The Bali Sun, 2026

> We do not quote average land prices per are by district: there is no official statistic, and the figures circulating on agency blogs do not disclose their methodology. Once Bank Indonesia publishes Q2 data, it goes into the next issue.

Mirador Canyon Villas, Ubud

Seven villas on the edge of a canyon in Lodtunduh, ten minutes from central Ubud. Yellow R3 zone, where daily rental is legal. It is also the answer to this issue's lead story: title is issued to the investor directly through a leasehold, with no new company to register.

Format	**2 bedrooms, 2 floors, 72 sqm**	Plot	**112–118 sqm, private pool**
Price	**$139,000**	Handover	**September 2027, off-plan**
Title	**leasehold 29 + 10 + 30 years**	Zone	**yellow R3, rental permitted**
Permits	**KKPR issued, PBG in progress**	Payment	**4 instalments against build stages**

Projected return, 2BR

Conservative	80% occupancy, $115 nightly	$14,165 a year	14.2%
Base case	84% occupancy, $125 nightly	$17,058 a year	18.2%
Optimistic	88% occupancy, $135 nightly	$20,088 a year	23.0%

> This is a projection, not a guarantee. The delivered Green Harmony project recorded, between November 2024 and September 2025, an average 81.9% occupancy at a $90 nightly rate and 14.4% annual return across four villas. If Mirador prices at Green Harmony's level, the return lands closer to 12–14%. We show both numbers.

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The next issue lands on Saturday

The DOMA Journal is weekly and stays free. We gather Bali's news, check every figure against its source and explain what it changes for an investor's money. Daily digests are published on the site; the weekly read is this PDF.

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DOMA has been a full-cycle developer in Bali since 2022: 30+ villas, three delivered projects, payments tied to build stages. Management by Bali Legend: 240+ properties, 4,000+ Airbnb reviews.