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## **INVESTOR OR INTRUDER, LAW ENFORCEMENT ON FOREIGN STAY PERMIT VIOLATIONS IN INDONESIA**

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### **ABSTRACT**

*The purpose of this study is to analyze various regulations of foreign citizens in obtaining limited stay permits and law enforcement on the abuse of limited stay permits by foreign investors in Indonesia. The type of research in this writing is doctrinal research with a legislative and conceptual approach that focuses on laws and regulations and literature as sources of legal material. After the legal materials are collected by conducting literature research, the next step is to analyze descriptively and argumentatively. Based on the results of the study, it shows that the procedure for owning an investor KITAS in Indonesia has provided legal certainty and made it easier for foreign citizens to invest in Indonesia as one of the main factors that attract investors to invest. Foreign nationals who will invest must meet several document requirements and establish a PT PMA with capital provisions in accordance with applicable regulations. Administrative action against the misuse of investor KITAS by foreign nationals is carried out by Immigration Officials as a form of law enforcement which is an attributive authority granted by law. The administrative action that can be taken by Immigration Officials for the misuse of investor KITAS is deportation from Indonesian territory. The synergy of the three main components in the legal system can create consistent, optimal, and effective law enforcement against the abuse of investors' KITAS*

*Keywords: foreign investors, limited stay permits, law enforcement, immigration policies, legal compliance*

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### **ABSTRAK**

Tujuan penelitian ini ialah untuk menganalisis berbagai peraturan warga negara asing dalam memperoleh izin tinggal terbatas dan penegakan hukum atas penyalahgunaan izin tinggal terbatas oleh investor asing di Indonesia. Jenis penelitian dalam penulisan ini adalah penelitian doktrinal dengan pendekatan perundang-undangan dan konseptual yang memfokuskan peraturan perundang-undangan dan literatur sebagai sumber bahan hukum. Setelah bahan hukum dikumpulkan dengan melakukan penelitian kepustakaan, langkah selanjutnya menganalisis secara deskriptif dan

argumentatif. Berdasarkan hasil penelitian menunjukkan bahwa prosedur kepemilikan KITAS investor di Indonesia telah memberikan kepastian hukum dan memudahkan warga negara asing untuk berinvestasi di Indonesia sebagai salah satu faktor utama yang menarik investor berinvestasi. Warga negara asing yang akan berinvestasi harus memenuhi beberapa persyaratan dokumen dan mendirikan PT PMA dengan ketentuan permodalan sesuai dengan ketentuan yang berlaku. Tindakan administratif terhadap penyalahgunaan KITAS investor oleh warga negara asing dilakukan oleh Pejabat Imigrasi sebagai bentuk penegakan hukum yang merupakan kewenangan atributif yang diberikan undang-undang. Adapun tindakan administrasi yang dapat dilakukan oleh Pejabat Imigrasi atas penyalahgunaan KITAS investor adalah deportasi dari wilayah Indonesia. Adanya sinergitas dari tiga komponen utama dalam sistem hukum dapat menciptakan penegakan hukum yang konsisten, optimal, dan efektif terhadap penyalahgunaan KITAS investor.

Kata Kunci: investor asing, izin tinggal terbatas, penegakan hukum, kebijakan imigrasi, kepatuhan hukum

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## INTRODUCTION

Technological developments in the transport industry have made it easier to move about. In addition to encouraging mobility, the transportation sector lowers prices, which improves human mobility. The simple relocation makes it easier for people to compare their old homes with new ones. This can have a big impact on people's mobility, not just for short-term travel or work-related reasons but also perhaps resulting in long-term relocation and settling in a certain region. People who move, either domestically or abroad, may do so for a variety of reasons, such as temporary or permanent settlement.<sup>1</sup> Displacement can occur inadvertently or for personal or commercial motives, even under adverse circumstances such as violence, persecution, or natural disasters.<sup>2</sup>

In Indonesia, particularly in Bali, population relocation is closely associated with tourism activity. Since the onset of the conflict between Russia and Ukraine, the population movement, initially confined to tourism, has evolved into relocating residents intending to settle for an extended duration. Numerous residents from both nations opted to visit

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<sup>1</sup> Wolfgang Gratzner et al., *The Routledge Handbook of Music and Migration* (London: Routledge, 2023), <https://doi.org/10.4324/9781003309437>.

<sup>2</sup> Arie W. Kruglanski, Isaac Prilleltensky, and Amiram Raviv, *The Routledge International Handbook of Human Significance and Mattering* (New York: Routledge, 2025), <https://doi.org/10.4324/9781003424437>.

and even reside in Bali. According to CNBC Indonesia, the number of visits by Ukrainian citizens in 2022 was 7,000 individuals. As of January 2023, the total number of visits by Ukrainians is 2,500.<sup>3</sup> According to data from the Central Statistics Agency, the number of Russian citizens arriving in Indonesia in 2024 is 180,215, while the number of Ukrainian citizens is 27,672.<sup>4</sup>

The occurrence of foreign nationals residing in Bali is prevalent. This occurrence has persisted for an extended duration. Foreigners can readily acquire residence permits from the Indonesian government. This contrasts markedly with numerous affluent nations where acquiring residency permits is challenging for immigrants. A residence permit enables foreigners to dwell and conduct business in Indonesia for a specified duration. According to NusaBali, in 2021, the foreign population in Bali was 109,801, comprising 29,070 individuals with limited residency permits, 2,246 with permanent resident cards, and 78,485 with Visit residency Permits.<sup>5</sup>

Bali is now a desirable place for business and investment ventures, rather than only a tourist destination. Businesspeople are making an effort to establish themselves in Bali since they naturally want to manage their companies personally. Foreigners may relocate to Bali for a variety of reasons, such as work, retirement, digital nomadism, or marriage to an Indonesian national. Bali is a great place for retirement or a more relaxed lifestyle due to its natural beauty, lively culture, and sizable expat population. Additionally, it offers a plethora of economic opportunities in tourism, cuisine, and other services, attracting foreigners looking to start businesses.<sup>6</sup>

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<sup>3</sup> Intan Rakhmayanti Dewi, "Perang Rusia-Ukraina Disebut Berdampak Ke Bali, Ada Apa?," <https://www.cnbcindonesia.com/>, 2023, <https://www.cnbcindonesia.com/news/20230220183033-4-415388/perang-rusia-ukraina-disebut-berdampak-ke-bali-ada-apa>.

<sup>4</sup> Badan Pusat Statistik, "Jumlah Kunjungan Wisatawan Mancanegara per Bulan Menurut Kebangsaan (Kunjungan), 2024," <https://www.bps.go.id/id>, 2025, <https://www.bps.go.id/id/statistics-table/2/MTQ3MCMY/kunjungan-wisatawan-mancanegara-per-bulan-menurut-kebangsaan--kunjungan-.html>.

<sup>5</sup> Nusa Bali, "109 Ribu WNA Masih Tingal Di Bali," <https://www.nusabali.com/>, 2021, <https://www.nusabali.com/berita/97417/109-ribu-wna-masih-tingal-di-bali>.

<sup>6</sup> Nadia Hariadi Putri et al., "Analisis Dampak Warga Negara Asing Dalam Membuka Usaha Ilegal Di Bali," *Indonesian Culture and Religion Issues* 1, no. 2 (June 7, 2024): 14, <https://doi.org/10.47134/diksima.v1i2.17>.

For foreign people visiting Bali, obtaining a resident permit makes it easier to circumvent the complicated visa process and allows access to a number of local services, such as opening a local bank account, buying real estate, and getting a driver's license. This is a right for foreign nationals who possess a resident permit as a result of holding a residence permit. The substantial presence of foreign nationals with residence permits can provide both advantageous and detrimental effects on Indonesia. The beneficial effect is the augmentation of foreign investment in Bali, hence fostering economic growth. Foreign investment typically pertains to substantial projects, such as constructing tourism infrastructure, which enhances employment and regional income.<sup>7</sup> The rising demand for services such as hospitality, restaurants, and transportation propels infrastructure and public services. Enhancement The detrimental effects of foreign ownership of resident permits include the establishment of a social divide between foreign nationals and Indonesian natives, heightened population congestion in Bali, inequitable commercial competitiveness, and the exploitation of residence permits.

The law of the Republic of Indonesia governs the legal definition of residence permits for foreign nationals Number 6 of 2023, which enacts Government Regulations in place of Law Number 2 of 2022 regarding Job Creation (hereinafter referred to as the Job Creation Law), serving as the second amendment to Law Number 6 of 2011 concerning Immigration (Immigration Law). The rules and regulations stipulate that a Residence Permit is an authorization issued to Foreigners by Immigration Officials or foreign service officials, physically or electronically, to reside in Indonesian Territory. The Limited Stay Permit is among the most sought-after residence permits by foreign nationals in Indonesia. Referring to Article 1 Number 15 of the Regulation of the Minister of Law and Human Rights of the Republic of Indonesia Number 11 of 2024 concerning Amendments to the Regulation of the Minister of Law and Human Rights Number 22 of 2023 concerning Visas and Residence Permits (hereinafter referred to as Permenkumham 11/2024)

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<sup>7</sup> Angelique Camelita Korassa Sonbai and Putu Titah Kawitri Resen, "Penyalahgunaan Izin Tinggal WNA Di Bali: Apakah Berelasi Dengan Mass Tourism?," *Penelitian Ilmu Pengetahuan Sosial* 1, no. 1 (January 31, 2024): 19–37, <https://doi.org/10.61511/pips.v1i1.2024.116>.

specifies that a Limited Stay Permit is a permit granted to Foreigners to stay and be in Indonesian Territory for a limited period. A limited stay permit is an authorization granted to foreign nationals to reside in Indonesia for a specified duration. Foreign investors are among those who require a limited-stay permit in Indonesia.

In Indonesia, foreign investors receive streamlined access to limited residence permits. Article 23 Paragraph (3) of Law Number 25 of 2007 of the Republic of Indonesia on Investment (hereafter referred to as the Investment Law) provides that investors are granted a limited residence permit for 2 years. The definition of foreign investor refers to the Investment Law as foreign persons, foreign corporate entities, and foreign governments that carry out investment operations in Indonesia. Foreign investors are the capitalists, which can be cash or physical and technological assets.<sup>8</sup> Direct investment refers to an investment made by foreign investors to acquire a restricted residence permit. This indicates their direct involvement in the company's management within the destination country. Direct investments or portfolio investments, such as the purchase of shares or bonds, are not included in the scope of the arrangement of investors getting a limited residence permit.<sup>9</sup>

The great enthusiasm of international investors in doing business, especially in Bali, is subject to abuse. Misusing a limited residency permit is due to the incompatibility of the use to grant the permit.<sup>10</sup> In 2024, the Denpasar Immigration Office will deport foreign individuals from Kazakhstan who have limited residence permits as investors but operate as swimming coaches.<sup>11</sup> In addition, In the same year, a

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<sup>8</sup> Auliya Ayu Satrianingtyas, "Tinjauan Umum Terhadap Penanaman Modal Asing Di Indonesia," *Civilia: Jurnal Kajian Hukum Dan Pendidikan Kewarganegaraan* 3, no. 2 (2023): 107–17, <https://doi.org/https://doi.org/10.572349/civilia.v3i2>.

<sup>9</sup> Poppy Camenia Jamil and Restu Hayati, "Penanaman Modal Asing Di Indonesia," *Jurnal Ekonomi Kiat* 31, no. 2 (2020): 1–4, [https://doi.org/https://doi.org/10.25299/kiat.2020.vol31\(2\).2769](https://doi.org/https://doi.org/10.25299/kiat.2020.vol31(2).2769); Rizal R. Manullang et al., "Analisis Pengaruh Investasi Asing Dan Investasi Dalam Negeri Terhadap Pertumbuhan Ekonomi," *EDUNOMIKA* 08, no. 02 (2024): 1–12, <https://doi.org/https://doi.org/10.29040/jie.v8i2.13133>.

<sup>10</sup> Eiunike Aurora et al., "Polemik Keberadaan Izin Tinggal Terbatas Investor Terhadap Keamanan Nasional Republik Indonesia," *Kertha Wicaksana* 19, no. 1 (2025): 48–57, <https://doi.org/10.22225/kw.19.1.2025.48-57>.

<sup>11</sup> Dewa Ketut Sudiarta Wiguna, "Imigrasi Denpasar Deportasi Investor Bodong Asal Kazakhstan," <https://www.antaranews.com/>, 2024, <https://www.antaranews.com/berita/3910422/imigrasi-denpasar-deportasi-investor-bodong-asal-kazakhstan>.

Tanzanian foreign national was deported in the same case. The foreign person already possesses a limited residency permit but does not carry out activities as a foreign investor in Bali.<sup>12</sup> The abuse of limited resident permits might taint the sovereignty of the Indonesian state. The ease of residence permits obtained for foreign investors must be strictly regulated and supervised by related parties. Supervision by related parties should have been carried out since the process or stages of making a limited stay permit by prospective foreign investors which will later continue in the form of intensive supervision after the foreign investor obtains a limited stay permit. This paper aims to investigate and analyze the regulations governing foreign investors in acquiring limited stay permits under Indonesian law, as well as to examine the enforcement of laws pertaining to the misuse of such permits in Indonesia.

## METHODS

This study employs doctrinal research methodology. This research focuses exclusively on written regulations or legal documents.<sup>13</sup> This research's legislative and conceptual methods serve as the primary means to examine and analyze legal resources, including statutes, rules, and literature pertinent to law enforcement and the exploitation of investor KITAS in Indonesia. The procedure for addressing laws and regulations involves tackling diverse legislation concerning immigration and foreign investment. The conceptual method analyzes problems

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<sup>12</sup> Aryo Mahendro, "WN Tanzania Dideportasi Negara 'Menyamar' Jadi Investor," <https://www.detik.com/>, 2024, <https://www.detik.com/bali/nusra/d-7368123/wn-tanzania-dideportasi-negara-menyamar-jadi-investor>.

<sup>13</sup> Muhaimin, *Metode Penelitian Hukum, Sustainability (Switzerland)*, 1st ed., vol. 11 (Mataram: Mataram University Press, 2020), [http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484\\_SISTEM\\_PEMBERTUNGAN\\_TERPUSAT\\_STRATEGI\\_MELESTARI](http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_SISTEM_PEMBERTUNGAN_TERPUSAT_STRATEGI_MELESTARI).

through pertinent legal ideas and principles, particularly those associated with law enforcement.

All legal materials are collected using literature review procedures, particularly collection studies that gather relevant secondary legal documents and primary legal materials on immigration and foreign investment. Descriptive and argumentative approaches are used to further analyse the collected legal sources. To obtain a methodical explanation, descriptive approaches are used. Concurrently, logical and critical legal arguments are derived through the use of argumentation techniques.

## **RESULTS AND DISCUSSION**

### **Regulation of Foreign Citizens in Obtaining Limited Residence Permits Based on Indonesian Positive Law**

Indonesia has emerged as a top choice for foreign investors looking to spend money and grow their businesses. Foreign investors are drawn to the stable economy and significant market potential, especially in large cities like Jakarta, Surabaya, and Bali. The government provides foreign investors with Limited Stay Permit Cards (KITAS), which allow them to stay for a longer period of time and conduct business under favourable legal conditions.

As a country that welcomes international investment, Indonesia works to simplify a number of regulations in order to attract foreign investors. Therefore, it is essential for foreign investors in Indonesia to comprehend the procedures, stages, and limitations of obtaining an Investor KITAS.

As amended by the Migration Law, the Job Creation Law governs various employment forms and the status and circumstances for foreign nationals seeking a restricted stay visa, including investors. According to Article 46 Paragraph (2) of the Law, foreign investors possessing a limited stay visa must apply for a limited stay permission after acquiring an entry certificate.

Before acquiring a (KITAS) as an investors, foreign nationals must create a limited liability company classified as a foreign investment limited liability company (PT PMA). The establishment of PT PMA is subject to laws concerning specific thresholds for share ownership by

foreign individuals and companies, which are aligned with the damaging investment list regulations of particular economic sectors.<sup>14</sup> The regulation of the negative investment list aims to govern the restrictions on foreign capital ownership as stipulated in Presidential Regulation of the Republic of Indonesia Number 49 of 2021, which amends Presidential Regulation Number 10 of 2021 regarding the Investment Business Sector. A PT PMA must possess an organizational structure with at least two owners, a director, and a commissioner.<sup>15</sup>

The formation of PT PMA is governed by organisational structure and financial requirements outlined in the negative investment list. The investment value foreign nationals require to establish a PT PMA in Indonesia is governed by Regulation Number 4 of 2021 issued by the Investment Coordinating Board, which pertains to Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities (BKPM Regulation No. 4/2021). Article 12 of BKPM Regulation No. 4/2021 stipulates that the total investment value in land and buildings is ten billion Rupiah, constituting the minimum need for issued/paid-up capital. Foreign investors seeking a limited residency permit must serve as a director or commissioner, or be a shareholder with a stake of one billion one hundred and twenty-five million Rupiah in the deed of incorporation of PT PMA, as outlined in Article 83 of BKPM Regulation No. 4/2021.

Upon completing all requisite documentation, including establishing PT PMA through a deed of establishment and subsequently filing for an E-Visa, foreign nationals as investors may request a conversion of their E-Visa to a KITAS upon their arrival in Indonesia. Foreign investors will obtain the investor's KITAS for a specified duration, specifically a 1-year Investment Limited Stay Visa (C-313 index) or a 2-year Investment Limited Stay Visa (C-314 index).

A KITAS account allows a foreign investor or legal entity to legally operate in Indonesia, with the advantage of not requiring a work permit.

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<sup>14</sup> Wahyu Dwi Utomo Billa, "Kajian Yuridis Mengenai Penanaman Modal Asing Melalui Pendirian Perusahaan Pma Menurut Undang-Undang Nomor 25 Tahun 2007," *Lex Privatum* 3, no. 3 (2020): 107–17, [http://hpj.journals.pnu.ac.ir/article\\_6498.html](http://hpj.journals.pnu.ac.ir/article_6498.html).

<sup>15</sup> Dewanti Ayu Garnida and Imanudin Affand, "Prosedur Pendirian PT Penanaman Modal Asing Di Indonesia Menurut Undang-Undang Nomor 25 Tahun 2007 Tentang Penanaman Modal," *Pendidikan, Jurnal Ilmiah Wahana* 10, no. 19 (2024): 259–71, <https://doi.org/https://doi.org/10.5281/zenodo.14053370>.



The regulations governing KITAS licenses for investors in Indonesia are detailed and cover a variety of entities, including the Ministry of Immigration, (BKPM), and notaries. KITAS licenses for investors cover a wide range of entities and are subject to various levels of law and regulation. The government strives to ensure legal certainty for foreign investors investing their capital in Indonesia by engaging appropriate entities and complying with numerous laws and regulations. Legal certainty is one of the most important reasons for investors to invest capital in the country. Legal clarity positively affects foreign direct investment. A significant degree of legal ambiguity can limit foreign direct investment, especially when combined with high corporate tax rates.<sup>16</sup>

Although obtaining a KITAS is relatively straightforward for foreign investors, all formalities must be completed in accordance with applicable laws, including capital requirements, the establishment of a PT PMA, a limited stay visa, and then the KITAS. Compliance with the law by foreign investors before acquiring an investment in a KITAS would provide legal protection and foster a stable investment environment for the domestic economy.

### **Law Enforcement on Abuse of Limited Residence Permits by Foreign Investors in Indonesia**

Foreign investment operations are characterized by a particular specificity. Initially, foreign investment firms seek to maintain long-term interests in companies in the countries where they invest, which often has a significant impact on the organization's management and operations. Secondly, there is a transfer of resources wherein foreign investors contribute not just capital but also technical knowledge, expertise, and occasionally trained human resources, which can assist in modernizing the local workforce.<sup>17</sup> Foreign investors pursue direct

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<sup>16</sup> Martin Zagler, "Foreign Direct Investment, Legal Uncertainty and Corporate Income Taxation," *International Economics* 173, no. February 2021 (May 2023): 19–28, <https://doi.org/10.1016/j.inteco.2022.11.005>.

<sup>17</sup> Waldemar Milewicz, "The Influence of Foreign Investors on the Development of Polish Enterprises – a Case Study of the BPH Bank," *Entrepreneurship and Sustainability Issues* 8, no. 2 (December 30, 2020): 829–39, [https://doi.org/10.9770/jesi.2020.8.2\(50\)](https://doi.org/10.9770/jesi.2020.8.2(50)).

investments beyond national borders to access expansive markets or more economic resources, obtaining operational and tax benefits.<sup>18</sup>

Foreign investors in Indonesia have many legitimate motivations, provided they comply with applicable legal regulations. Investment facilities offered by the Indonesian government are susceptible to abuse. Considering the situations described in the introduction, the likelihood of investors failing to make significant investments is significant. This occurs when foreigners wish to extend their stay in Bali without undergoing additional administrative procedures as tourists. Furthermore, an additional incentive for foreigners to obtain KITAS investor status is the ease of employment without the need for additional work permits.<sup>19</sup>

From a law enforcement perspective, every transgression by foreign nationals should incur legal repercussions. Law enforcement is integral to the legal system. The three essential components constituting a legal system, as articulated by Lawrence Friedman, comprise.<sup>20</sup>

1. Legal Substance: This encompasses relevant laws, regulations, and legal doctrines, including codified norms that regulate individual conduct. The legal substance is crucial as it delineates what is deemed lawful and illicit;
2. Legal Structure: It encompasses organizations and mechanisms that uphold and implement the law, including courts, law enforcement agencies, and other entities responsible for administering justice. Legal structures establish an operational legal system, guarantee the implementation and enforcement of laws, and facilitate the execution of legal processes.;
3. Legal Culture: Of individuals' attitudes, values, and perceptions toward the law and its institutions. Legal culture embodies societal perceptions and interactions with the legal system, influencing law

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<sup>18</sup> BUTNARU IULIA, BRAD LAURA, and BRASOVEANU IULIAN VIOREL, "Profit Shifting of European Multinational Companies and Corruption," *ECONOMIC COMPUTATION AND ECONOMIC CYBERNETICS STUDIES AND RESEARCH* 52, no. 2/2018 (March 27, 2018): 87–106, <https://doi.org/10.24818/18423264/52.2.18.06>.

<sup>19</sup> Aryo Mahendro, "Kala Puluhan WNA Pura-Pura Jadi Investor Tapi Cari Kerja Di Bali," <https://www.detik.com/>, 2025, <https://www.detik.com/bali/hukum-dan-kriminal/d-7790205/kala-puluhan-wna-pura-pura-jadi-investor-tapi-cari-kerja-di-bali?page=2>.

<sup>20</sup> Henny Saida Flora, Mac Thi Hoai Thuong, and Ratna Deliana Erawati, "The Orientation and Implications of New Criminal Code: An Analysis of Lawrence Friedman's Legal System," *Jurnal IUS Kajian Hukum Dan Keadilan* 11, no. 1 (April 4, 2023): 113–25, <https://doi.org/10.29303/ius.v11i1.1169>.

enforcement efficacy and adherence. These aspects encompass the societal norms and expectations that affect the conduct of persons and institutions inside the legal system.

The legal essence of the misuse of investor KITAS in Indonesia pertains to Article 75 Paragraph (1) of the Immigration Law, which grants Immigration Officials the authority to execute Immigration Administrative Actions against Foreigners within Indonesian Territory engaged in perilous activities that may jeopardize public security and order or fail to adhere to laws and regulations. Administrative measures permissible by Immigration Officials as outlined in Article 75 Paragraph (2) of the Immigration Law include:

- a. inclusion in the Prevention or Deterrence list;
- b. restriction, modification or cancellation of Residence Permit;
- c. prohibition to be in one or more specific places in the Indonesian Territory;
- d. The necessity to reside in a particular place in the territory of Indonesia;
- e. The imposition of load charges and/or
- f. Deportation from Indonesian Territory.

Foreign nationals with an investor in KITAS have committed infractions as outlined in Article 75 (1), namely engaging in activities that disregard or fail to adhere to rules and regulations. As illustrated by the cases above, foreign nationals are also liable to immigration administrative measures, including removal from Indonesian territory.

The Immigration Official holds the authority to enforce regulations against the abuse of Investor KITAS in Indonesia. The Job Creation Law, as revised by Article 7 of the Immigration Law, designates Immigration Officials as employees who possess specialized immigration education, technical skills, and the power to execute tasks and obligations following this Law. Theoretically, Immigration Officials possess attributive authority when taking administrative action against foreign people who exploit KITAS investors. Attributive authority is the power conferred explicitly by legislation.<sup>21</sup> The authority to execute

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<sup>21</sup> MOH GANDARA, "Kewenangan Atribusi, Delegasi Dan Mandat," *Khazanah Hukum* 2, no. 3 (November 28, 2020): 92–99, <https://doi.org/10.15575/kh.v2i3.8187>.

administrative actions and the Immigration Officer possesses the capacity to impose punishments without judicial intervention.<sup>22</sup>

Administrative measures implemented by Immigration Officials against foreign people who exploit investors' KITAS will undoubtedly provide a beneficial effect on societal and legal culture. Foreign nationals' improper utilization of investor KITAS will adversely affect the community, particularly the Balinese population, by exacerbating population density, constricting employment options for native Balinese individuals, and resulting in minimal economic benefits from illusory investments.

Law enforcement will operate effectively if the three components of the legal system collaborate harmoniously. A robust legal framework necessitates a formidable legal structure for enforcement alongside a conducive legal culture to ensure adherence and reverence for the law.<sup>23</sup> The enforcement of laws regarding the misuse of Investor KITAS in Indonesia is crucial for upholding legal clarity and public order, particularly within the business sector. The stringent oversight and enforcement implemented by the authorities primarily seek to safeguard the residence permit licensing system and monitor its misuse, ensuring that foreign investors operating in Indonesia genuinely contribute to the economy, particularly the Balinese economy. Optimal supervision and consistent law enforcement will establish a balance between promoting foreign investment and implementing regulations for sustained national development.

## CONCLUSION

Implementing KITAS ownership regulations has afforded investors in Indonesia legal clarity and facilitated foreign investment. Legal clarity is a primary factor in attracting foreign investors. The regulation of investor KITAS ownership in Indonesia encompasses multiple government organizations and various tiers of laws and

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<sup>22</sup> Albert Sanusi, "PENYALAHGUNAAN IZIN TINGGAL KEIMIGRASIAN ( Studi Kantor Imigrasi Kelas I Bandar Lampung )," *Fiat Justisia Journal of Law* 10, no. 2 (2016): 387–412.

<sup>23</sup> Malcolm M. Feeley and Setsuo Miyazawa, "Legal Culture and the State in Modern Japan," in *Law, Society, and History* (Cambridge University Press, 2011), 169–88, <https://doi.org/10.1017/CBO9780511921629.012>.

regulations. Possessing several documents and forming a PT PMA with specified capital constitutes compliance with the obligatory prerequisites for foreign investors to allocate their money.

Foreign nationals' improper use of investor KITAS constitutes an administrative infraction that necessitates administrative action. In Indonesia, the Immigration Officer executes administrative action for misusing an investor's KITAS, as mandated by legal authority. Immigration Officials may execute administrative procedures, including deportation from Indonesian territory, for the misuse of investor KITAS as prescribed by law. To establish consistent, optimal, and efficient law enforcement against the misappropriation of investor KITAS, synergy among the three principal components of the legal system is essential.

The government is anticipated to enhance openness and digitization of services to establish efficient and cohesive investor KITAS services and incorporate accountability standards to mitigate administrative errors and avert misuse of investor KITAS. Furthermore, there is socialization and support for foreign nationals seeking to invest in Indonesia, ensuring that potential investors comprehend and adhere to all relevant regulations for acquiring an investor's KITAS.

It is anticipated that the government, particularly the agency managing immigration matters, will enhance oversight of foreign nationals holding investor KITAS by ensuring their investments in Indonesia comply with existing regulations. Enhanced oversight to aid law enforcement must be implemented consistently and decisively, potentially involving coordination with other institutions. The system's integration will strengthen law enforcement capabilities.

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