

# Mobility: Immigration alert

February 2023



## Indonesia

### Local counterpart training certificates mandatory for work permit renewal

#### Executive summary

Individuals who seek to renew their work permits must now submit local counterpart training certificates with their renewal application as proof that they have transferred knowledge to an Indonesian employee.

#### Background

In general, employers must ensure transfer of knowledge, technology and expertise relevant for the position from foreign employees to their local counterparts. In 2021, the Indonesian government passed Regulation No. 34, which mandated that employers must submit a report on the implementation of work education and training for local counterparts when applying to renew their foreign employees' work permits.

In addition, employers must submit annual reports to the Ministry of Manpower (MoM) confirming they have implemented relevant training programs for knowledge transfer from their foreign employees to the local counterparts. A training or competency certificate must also be submitted along with applications for renewing their foreign employees' work permits.

#### Key developments

In January 2023, the MoM began implementing Regulation No. 34. Employers that seek to renew their foreign employees' work permits must now submit training or competency certificates as proof that these employees have conducted relevant training programs for their local counterparts. Employers may submit one of the following types of certificates:

- ▶ Competency certificate issued by an accredited certification body (e.g., Lembaga Sertifikasi Profesi)
- ▶ Diploma issued by an authorized institute
- ▶ Certificate issued by the employer and signed by the management, which includes details such as the type and date of training

Work permit renewal applications that are not accompanied by training or competency certificates will be rejected.

#### Impact on employers

Companies may ensure that their foreign employees provide relevant trainings to the local counterparts and prepare proof of the same to avoid rejection of work permit renewal applications.

#### Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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**Kartina Indriyani**  
Partner - People Advisory Services, Global Immigration  
Tel: +62811868336  
Email: [kartina.indriyani@id.ey.com](mailto:kartina.indriyani@id.ey.com)