



MAM CORPORATE SOLUTIONS

Employer of Record

Hire in Indonesia before you have a company in Indonesia

A practical guide for foreign employers • Jakarta

Hiring before you have a company here.

Contents

What it is, and what stays with you	03
Why companies do it this way	04
How it works	05
Three things we settle before you hire	06
The HR platform your team uses	07
Questions clients ask	08
Why clients choose us	09

You cannot legally employ anyone in Indonesia without an entity here. An employer of record is how companies hire anyway – lawfully, and usually within weeks.

Most companies meet this problem late. The candidate is found and the budget is approved, and then somebody asks how payroll will actually run.

We become the legal employer of your staff. You direct their work exactly as you would your own team. It is an ordinary arrangement, used by companies of every size, and it works for one person or for a team of twenty.

This guide covers what transfers to us, what stays with you, and what happens when you decide to set up your own entity. Every figure in it is published on our website, so you can check it against a page that is kept up to date.

What it is, and what stays with you.

We issue the employment contract, run the monthly payroll, withhold and pay income tax, and register and pay social security. On paper, your staff work for us.

In every way that matters to you, they work for you. You decide who is hired, what they are paid, and what they do each day. We do not involve ourselves in your business, and your people are not absorbed into ours.

This covers Indonesian and expatriate staff alike. An expatriate takes longer to start, because the work permit has to be processed before they can be onboarded at all — that is part of the job, not a reason to send you elsewhere.

1 week To onboard a local hire	No minimum Number of employees	1 month Notice to end the arrangement
--	--	---

What stays entirely with you

We are the employer on paper. None of the decisions that make someone your employee in practice move to us:

- **Who you hire, and who you do not.** We draft nothing until you have told us the role, the salary and the start date.
- **What they are paid,** and what they are paid it for.
- **What they work on,** day to day, and who they report to.
- **Your business.** Your staff are not engaged in ours, and we do not involve ourselves in yours.

SAID PLAINLY

We hold the employment. You run the team. Any arrangement that blurred those two would not survive being looked at, which is why this one does not blur them.

Why companies do it this way.

An employer of record is not a shortcut around the rules. It is the ordinary, lawful way to put a person to work in a country where you do not yet have a company — and it is quicker, cheaper and easier to reverse than the alternative.

No entity needed

You can employ someone in Indonesia without owning a company here. Establishing a PT PMA takes time and capital, and it commits you to filings and audits that continue whether or not the business works.

Test the market first

One salesperson for a year tells you whether Indonesia works for you, at a fraction of the commitment of an entity. If the answer is no, the arrangement ends on a month's notice.

One invoice, not a payroll function

You receive a single monthly invoice instead of standing up a payroll, a tax registration and an HR administration in a country you do not operate in yet.

Weeks, not months

A local hire can usually be onboarded within a week. An expatriate takes longer, because the work permit has to come first — but neither timetable depends on an entity being formed.

The compliance is ours

Contracts, monthly payroll, income tax withheld and paid, BPJS registered and paid, statutory benefits administered. It is not advice on how to do it — it is done, by the firm that is legally on the hook for it.

A way into your own entity

Most clients incorporate eventually, and this does not get in the way when they do. Your staff move across, their previous service is recognised, and their role carries on.

And when it is not the answer

If you already have an Indonesian entity, you do not need an employer of record. You need payroll — the same work at a lower cost, because you are already the employer.

We will say so. Talking a client into the more expensive of two arrangements buys one engagement and costs the relationship it came from.

Who we already do this for

You would not be the first company in your market to hire this way. We hold employment contracts in Indonesia on behalf of employers headquartered in the following, and elsewhere:

United Kingdom

United States

India

Singapore

Australia

Hungary

Malaysia

Pakistan

Thailand

How it works.

01

YOU

Tell us who you are hiring, and on what terms

The role, the salary, the benefits and the start date. Nothing is drafted until this is settled.

02

WE

Employ your staff on your behalf

Compliant contracts, BPJS registration and tax registration.

03

WE

Run payroll and the statutory filings

Paid on time, every deduction handled.

04

YOU

Direct the work

You manage the person day to day; we hold the employment.

What is included

- ◆ **A compliant employment contract** under Indonesian law
- ◆ **Payroll**, with BPJS and PPh 21 handled
- ◆ **Statutory benefits** administered correctly, including THR and the annual leave position when collective leave falls around Idul Fitri — decisions that sit with the legal employer, which is us
- ◆ **Onboarding and offboarding**, including the parts most foreign employers get wrong
- ◆ **A single monthly invoice** rather than a payroll function

Three things we settle before you hire.

What ending an employment would cost. Indonesian law protects employees, and termination costs more here than in most markets. We put that number in front of you before you hire, so it is priced in rather than discovered later.

How you move to your own entity. Most clients do, once headcount justifies it. We agree how that works at the start: your staff move across, the new employment agreement recognises their previous service, and they are told plainly that their role and their service carry on.

Who is actually employing your people. MAM is led by ACCA members and registered with IAPI. The entity holding your employment contracts is a regulated accountancy practice, not a labour intermediary — and it is the same firm that runs the payroll and files the tax.

DOCUMENTED PROPERLY FROM THE START

An employer of record arrangement works because the employment is genuine and the paperwork says so. Getting that right is the job, and it is not something we leave to a template.

The HR platform your team uses.

Employ someone through a provider abroad and every small thing travels back to you: a holiday request, a receipt, a question about last month's payslip.

MAM is an HReasily partner, and the platform is available on EOR engagements. Your team apply for leave, submit claims and get their payslips on a phone app. Approvals go to whoever you nominate. Attendance can be captured in the same place, including by clock-in on a supported device.

Everything the platform does is on the table; how much of it you use is your decision.

Your staff also deal with people who speak their language. The team works in English, Bahasa Indonesia, Urdu and Tamil, so an employee's question is answered directly rather than translated through you.

WHAT DOES NOT CHANGE

You still decide who is hired, what they are paid and what they work on. We hold the employment; you run the team.

Questions clients ask.

These are the questions we are actually asked, with the answers we actually give.

Is there a minimum number of employees, and what do you need to quote?

There is no minimum. We ask how many people, whether they are local or expatriate, where they will work, for how long, the start date, the job title and the salary.

How quickly can someone start?

A local employee can usually be onboarded within a week — drafting and signing the employment agreement, then registering them with BPJS Health and BPJS Manpower, the statutory social security schemes. An expatriate takes longer, because the work permit has to be processed before they can be onboarded at all.

What is the notice period to end the arrangement itself?

Generally one month, unless we have agreed something different with you.

What is included as standard for the employee?

Registration with BPJS, as above. Private health cover is not part of the standard arrangement.

If we set up our own entity later, what happens to the employees?

They transfer from us to your entity. Tell them clearly that their role and their service carry on. The legal employer changes, and the new employment agreement recognises their previous service.

Why clients choose us.

01

Employment, payroll and tax from one firm

The entity that employs your staff also runs their payroll, PPh 21 and BPJS in-house — no chain of providers between you and the person on your team.

02

Your staff in their own language

The team works in English, Bahasa Indonesia, Urdu and Tamil, so an employee query is handled directly rather than translated through you.

03

A regulated firm as employer

MAM is led by ACCA members and registered with IAPI. The legal employer of your staff is a regulated professional firm, not a labour intermediary.

04

Your staff can serve themselves

Your staff can be given the HReasily platform, so leave, claims and payslips are handled on their phones instead of travelling back to you in another country. You choose how much of it to use.

Qualified, and accountable for it



LED BY MEMBERS



REGISTERED



MEMBER



THROUGH ACCA



XERO BRONZE
PARTNER &
CERTIFIED
ADVISOR



PARTNER



▶ GET IN TOUCH

Tell us who you want to hire.

We will tell you whether an employer of record is the right answer for you, or whether something simpler is.

We aim to reply the same working day.

OFFICE

The Mansion Bougenville, Tower Fontana, Lantai 36, Unit BF-36K2
Jl. Trembesi Blok D Kemayoran
Kelurahan Pademangan Timur, Kecamatan Pademangan
Jakarta Utara 14410, Indonesia

TELEPHONE

+62 21 2605 2850

WHATSAPP

+62 812 8349 2928

EMAIL

info@mamsolutions.net

WEB

mamsolutions.net

LINKEDIN

linkedin.com/company/mam-corporate-solutions



Scan for
mamsolutions.net