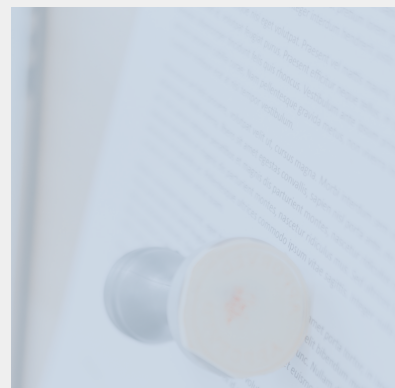




Legal Requirements for Short Term Villa Rentals in Bali, Indonesia

A practical overview of the mandatory legal and regulatory requirements for short-term villa rental operations in Bali, Indonesia



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Understanding Legal Requirements for Short-Term Villa Rentals

The Indonesian Government has announced that it requires all short term rental properties in Indonesia to be properly registered as a business.

The Indonesian Government now requires Online Travel Agencies (OTAs), such as AirBnB, to require all Indonesian properties listed on their site to provide by 31st May 2026:

- Business NIB (Tax) number
- Business KBLI Code (Market Segment Code)

Failure to comply may result in your property being suspended from AirBnB and other OTA sites, and liable for further fines and penalties if continuing to actively rent out your villa short term.

This briefing note outlines the different steps required for you to get an NIB and KBLI code depending on the ownership structure for your villa.

This guidance is for the Indonesian and Foreign villa owners with villas in Bali, Indonesia.

For the purposes of this briefing note, the various legal entities of Secluded Bali Villas is referred to as "SBV".

There is a significant amount of uncertainty right now, so this is our current view based upon direct discussions with BKPM and the Ministry of Tourism as well as consultants and advisors working in this space.

We shall update this regularly as the situation changes.

Update Date: April 2026

Background & Regulatory Update

The Ministry of Tourism is intensifying its supervision of the property rental businesses in Indonesia, particularly in Bali, in response to the increasing number of unlicensed short-term rental villas.

In parallel, the Ministry of Investment (BKPM) has issued updated KBLI classifications under Government Regulation No. 28 of 2025 (PP 28/2025).

As part of the national effort to ensure proper licensing and tax compliance, Online Travel Agencies (OTAs) such as AirBnB are now required to collect and verify the NIB (Nomor Induk Berusaha) and KBLI classification for every listed property.

KBLI codes are in the process of change right now, with new KBLI codes introduced in 2025, but the online registration system (OSS) is still working with the KBLI Codes from 2020. It is expected to take a year or more for the transition to be complete.

For villa owners, the **ONLY** currently correct KBLI codes that are accepted by AirBnB and other Online Travel Agencies are:

- **55130**: Tourist Lodge (Pondok Wisata)
- **55193**: Villa
- **55900**: Other Accommodation (possibly)

Current Deadline is: 31 May 2026

Failure to submit valid NIB and KBLI Code will result in:

- Temporary suspension or permanent delisting of your villa on OTA sites including AirBnB
- Potential additional administrative sanctions

For most owners this means registering your villa as a small business ([General Registration Guidelines](#)).

The registration process however depends on whether you are a foreign owner or an Indonesian Owner and how you structured the ownership of your villa.

01 Villa Owned By a PT PMA Company

- All PT PMAs already have a valid NIB, which is a good start. However you must check the KBLI Code.
- If you are lucky you will have 55193: Villa, however this code is now no longer open for PT PMAs.
- Going forward there is only one KBLI Code that PT PMA owners can still use which is 55900: Other Accommodation.
- However there is some discussion on whether this KBLI Code can be correctly applied to villas for short term rentals.
- All other relevant and acceptable KBLI codes are no longer open for PT PMA owners.
- You can add the KBLI Code 55900 to your PT PMA business as follows:
- [KBLI Amendment / Addition Procedure](#)

Within a year of the NIB and KBLI being issued, you will need to apply for PB UMKU (SLF & Dokumen Mandiri) ([PB UMKU Application Procedure](#))

02 Villa Owned by an Indonesian Citizen

- You are now required to register your villa as a "Personal Business" (Usaha Perorangan):
- If you have already registered your villa on the online registration site OSS, then you will already have an NIB number.
- You need to check the KBLI Code, which will either be KBLI Code 55193: Villa or KBLI Code 55130: Tourist Lodge (Pondok Wisata).
- 55193: Villa is the technically correct code, but it comes with more onerous obligations. If you have had a valid Pondok Wisata licence in the past, it is simpler and easier to apply for KBLI Code 55130: Tourist Lodge (Pondok Wisata).
- If you have not yet registered as an individual business owner (Perorangan), then to do so you will need:
 - Local tax registration number(NPWP); and
 - Personal federal tax number (NPWP); and
 - KTP and NIK number.
- Then go to the OSS website (<https://oss.go.id/>)
- [Villa Registration as Business Procedure](#).
- After you have completed the registration process, you should receive the NIB and KBLI code confirmation for your villa.
- Within a year after NIB issued, you will need to apply for PB UMKU (SLF & Dokumen Mandiri). ([PB UMKU Application Procedure](#))

If you have finalised a contract with Secluded Bali Villas for Marketing or Managing your villa, then we can provide assistance and guide you through the process, however it is your responsibility as an owner to properly and legally register.

03 Villas Owned by Foreign Citizen directly (e.g. via Leasehold Contract)

Villas Owned by Foreign Individuals either through Hak Pakai title, or Hak Sewa / Leasehold are more complex.

- Foreigners are not permitted to directly register their villa as a business or get an NIB.
- There are only two different structures open to Foreign Owners to be legal.

Option 1 – PT PMA Structure

You establish a PT PMA structure for ownership of your property with the correct KBLI Code:

- Retains your ownership control
- Requires legal consultation and sale/lease of property from you to the PT PMA which is costly.
- Process is time consuming and will not be completed by 31/5/26 deadline.
- Even as a PT PMA, getting a valid KBLI code may be difficult, as only one code is available (55900: Other Accommodation) and it is debateable whether this allows for villas to be rented out short term

Option 2 – Local Entity Management

Partner with a locally registered company such as Secluded Bali Villas, and conduct Short Term rental business under Secluded Bali Villas license and NIB and KBLI Code:

- SBV registers as the responsible operator for your property using its own NIB & KBLI.
- You as the owner retain asset ownership.
- As responsible operator SBV is liable for any outstanding tax liability on your villa.
- Requires therefore Marketing and Management Contracts to be finalised with SBV to address revised structure and liabilities.
- Potentially easiest, fastest and cheapest way forward.

SBV can assist you to legally rent out your villa short term, and provide a robust, legal structure to do so.

Zoning Requirements

During any application process one of the key checks for any villa is the zoning.

For your villa to be able to be registered, it should be in the correct zone.

You can check the zoning for your own villa here:

- Go to <https://gistaru.atrbpn.go.id/>
- Click “**RDTR Interaktif**”
- Zoom into Bali and locate your property
- Click the parcel area to see the **zoning code & info**
- Licensing under the correct KBLI code (55193: Villa) may be problematic if the map shows:
 - Perumahan (residential)
 - Pertanian (agriculture)
 - Ruang terbuka hijau (green zone)
- KBLI code (55130: Pondok Wisata) is fine if your zone is Perumahan (residential):
- Many areas of Bali are not yet mapped, including Klungkung and most of Karangasem.
- Even if your villa is in a “red” zone, there are exemptions for properties that have historically and legally operated as rental villas. Particularly if they have an existing Pondok Wisata licence and have paid local taxes using an NPWPD number, or where a previously valid zone has been changed.

Conclusion

This regulatory update represents a structural shift in the Indonesian villa rental industry, particularly in Bali. Compliance is likely to no longer be optional but mandatory for OTA visibility and operational continuity.

We are committed to supporting all villa owners in navigating this transition in a structured, compliant, and sustainable manner.

However much still remains unclear, and will become better understood over time, and so we shall be constantly updating this guideline as our understanding grows.